KHADI-GRAMODYOG

2 January, 1956 No. 4

OFFICE OF THE PRINCIPAL, GRAMASEVAKS TRAINING CENTRE ADUTURAI
12 MAR 1956

(63)

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LEST WE FORGET

"It is really astonishing how soon after Gandhiji's death we have forgotten so many of the things which appeared to us to be absolutely clear and open and almost self-evident while he was living. It is really astonishing how those things now appear not only to require proof but also appear to us to be wrong in many matters.

"What was the fundamental things which Gandhiji said ? Of course, he has often stressed the importance of the economic condition of the people, removal of hunger and disease; he was not ignorant of or indifferent to all these. In fact, he did his best to remove these. But at the same time he built up the whole thing upon the solid foundation of the spirit and morals. This foundation we are not able to see today, but if we build upon it, we shall be able to build correctly and strongly in future."

—RAJENDRA PRASAD.

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(From the Resolution of the Government of India).

OFFICE OF THE PRINCIPAL, GRAMASEVAKS TRAINING CENTRE
12 MAR 1956
ADUTURAI

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KHADI–GRAMODYOG

VOL. 2 JANUARY, 1956 NO. 4

A WORD IN SEASON

(By : MAHATMA GANDHI)

I have been saying that if untouchability stays, Hinduism goes; even so I would say that if the village perishes India will perish too. It will no more be India. Her own mission in the world will get lost. The revival of the village is possible only when it is no more exploited. Industrialization on a mass scale will necessarily lead to passive or active exploitation of the villagers, as the problems of competition and marketing come in. Therefore, we have to concentrate on the village being self-contained, manufacturing mainly for use. Provided this character of the village industry is maintained, there would be no objection to villages using even modern machines and tools that they can make and can afford to use. Only they should not be used as a means of exploitation of others.

There is no question of refusing to take advantage of labour-saving devices. If the villagers had enough to eat and to clothe themselves with, there would be no cause for home-grinding or home-husking assuming that the question of health was not of any importance or, if it was, there was no difference between home-ground flour and mill-ground, or home-husked rice and mill-husked. But the problem is that the villagers became idle when they left off husking and grinding even for their own use, and made no good use of their idle hours, whether for uplift or otherwise. A starving man or woman who has time on his or her hand will surely be glad to

earn an honest anna during that time, for he or she will resent being advised to save his or her labour when either can turn it into a few pice to alleviate starvation.

I have no partiality for return to the primitive method of grinding and husking for the sake of them. I suggest the return because there is no other way of giving employment to the millions of villagers who are living in idleness.

In my opinion, village uplift is impossible, unless we solve the pressing economic distress. Therefore, to induce the villagers to utilize their idle hours is in itself solid uplift work.

WRONG PERSPECTIVE

In his inaugural address to the recent Conference of Agricultural Economists at Poona, Shri Rama Rau, Governor of the Reserve Bank of India, propounded the thesis that the attempt to develop cottage industries through various restrictions on the corresponding medium and large-scale industries might probably aggravate, rather than solve the prevailing problem of unemployment in the country. According to him, with the growing pace of migration of population to the towns and cities and with the increase in the educational facilities, unemployment among the relatively better educated classes in urban areas was more serious than that among the people in rural areas. As cottage industries with their low level of earnings were not likely to be attractive to the urban educated unemployed, curbs on the expansion of medium and large-scale industries were likely to worsen the existing problem. In his considered view, the remedy lay in the rapid industrialization, improvement of housing conditions and slum-clearance in urban areas rather than ban on industrial expansion. He therefore, desired the economists to examine dispassionately the nature of the unemployment problem and suggest remedies, free from either ideological prejudices or economic superstitions.

While few will disagree with Shri Rama Rau that the problem of unemployment in India is endemic in the economy rather than a temporary, short-term phenomenon that can be 'liquidated' over a period of five or ten years, the limited statistical data on the quantity, quality and composition of urban unemployment belies his claim that the problem of the educated unemployed is the more acute and should, therefore, be the basis for a realistic economic policy.

Facts of the Case

Unemployment in urban areas assumed the proportions of a national crisis in post-independent India since the general price recession that came in the wake of the new monetary policy initiated in November 1951. The sudden monetary correction, on the one hand, and the introduction of multi-point sales tax, decontrol measures, nationalization of road transport and similar measures adopted by State Governments, on the other, led to a sharp reduction

of employment opportunities in distributive trades and administration. Statistical information to measure the magnitude of this problem in urban areas is not available and the periodic reports of the Employment Exchanges serve more as an index of the trends than of the size of the problem. As urban areas are relatively better organized, more politically conscious and enjoy closer contacts with political parties, trade union leaders and newspapers, the incidence of the sharp increase in the number of the unemployed, relatively better known, due to the establishment of several employment exchanges in important industrial and urban centres, has received and continues to receive, wide publicity and, consequently, has evoked wider appreciation. But neither in its magnitude nor in its social incidence can it compare with the problem in the rural areas. In other words, public awareness of the urban problem was greater due to a number of fortuitous reasons.

Character of the Problem

It is little appreciated that urban unemployment in India consists, mainly, of unskilled and illiterate workers, and only partly of literate, skilled and semi-skilled workers. As a recent analysis of the registered urban unemployed in the city of Calcutta, and this is true of most other urban centres, as well, shows: (1) about 48 per cent of the registered unemployed are unskilled workers; (2) the bulk of the educated unemployed are fresh, newly passed matriculates, intermediates or graduates, who have no special training, skill, aptitude or preferences, and who, in the main, are in search of administrative or clerical jobs; and (3) the majority of such literate, unskilled, untrained persons are also unwilling to move out to different parts of the country. The registered unemployed who have some experience or training or are skilled in any craft or calling, find it relatively easier to obtain employment than the educated 'unskilled' persons. Unemployment among the very highly qualified or technical personnel is very small, and lasts, relatively, for a very short period of time. The inference from this analysis is obviously that the continuation of the present 'general' educational system is bound to accentuate rather than relieve the problem, as no economy or pattern of development can absorb in gainful, clerical or administrative occupations the enormous annual output of India's schools, colleges and universities. The solution of the problem thus lies in a deliberate attempt to increase occupational mobility of the urban educated youth, and wear way the prevailing concepts of 'genteel' professions through a reorientation of education rather than through further urbanization and industrialization.

The predominance of unskilled, illiterate persons among the registered unemployed in urban areas, and their general preference for jobs, such as chaprasis, watchmen etc. on salary scales ranging from Rs. 30 to Rs. 50 p. m. reflect the conditions in the surrounding rural areas rather than the conditions in the urban areas. Un-

skilled, landless and land-owning agricultural labour moves out into towns during the agricultural off-seasons, and has given the Indian industrial labour the principal 'migratory' character and accounts for the prevailing absenteeism. Availability of work throughout the year in their own places will definitely stop this movement. Lack of work rather than attractions of urban areas is the cause of seasonal migration.

To sum up: the size of the urban unemployment problem, ralative to that in rural areas is smaller, as the urban population relative to the rural population is smaller. The bulk of the unemployed in urban areas are unskilled, illiterate workers from surrounding rural areas, in search of 'menial' jobs on salaries ranging from Rs. 30 to 50 p. m. The so-called 'educated' urban unemployed has no training for any jobs, and no pattern of industrial development can create, annually, an adequate number of clerical jobs to absorb them. Consequently the remedy lies in providing the bulk of the youth in urban areas education with a vocational bias, and train them in specific crafts to earn their living.

Rural Problem

As against the conditions in urban areas, as the recent reports of the Agricultural Labour Enquiry Committee show; under-employment in the rural areas is large and wide-spread, and although its incidence varies from region to region, nowhere is it small enough to be ignored; and employment in agriculture during the season does not fetch an adequate wage to maintain a reasonable standard of living. The 1951 Census Report has made it familiar that self-employed workers predominate in agricultural as well as non-agricultural operations, and owing to extensive under-employment among them, their conditions of life and work today are bad in the extreme. In a democratic country ruled by public opinion and majority vote, the needs of the vast millions who lead a sub-marginal life, ought to receive priority of attention. The lack of organization and contacts with political and other bodies has been mainly responsible for the steady, continued deterioration in the conditions of both agricultural and non-agricultural workers in rural India. From the point of view of the magnitude, diffusions, incidence, the problem of under-employment in rural areas is the basic, primary problem because not only does it involve a tremendous waste of human resources, but it is a standing danger to the social and political stability of the country.

The Answer

It is precisely on this account that the Karve Committee recommend a permanent ban on any further expansion of industries in the existing urban centres or on their periphery, and a deliberate attempt to adapt modern scientific techniques to the needs of a decentralized pattern of economic development that integrates agriculture with industry. Without the basic conditions of work or assured sales of their output, the self-employed artisan in the village cannot

expand his production, much less adopt improved techniques. So long as the conditions in rural areas continue as they are, and continue to be altogether ignored as hitherto, or altogether distorted as is now being done by several political industrial and other experts, the primary problem of economic development will continue to be impossible of solution.

It is erroneous to argue in the face of the facts presented above that the lure of the higher incomes and the varied opportunities draw the rural population to urban areas. The so-called higher earnings, in the face of higher costs of living in urban areas and lower levels of housing and other basic amenities of human living available to lower income groups, in real terms, are lower than earnings in the rural areas; and are available only to a very few of the thousands that migrate to towns. Continued migration to towns in such conditions is most certainly harmful to the economic, social and political welfare of the country. Continued unemployment of the illiterate, unskilled, rural worker, and continued living in unhealthy hovels or in slums, with many moral and spiritual temptations all round, make this class susceptible to the lures of political and economic extremes and a standing threat to the life and property of the people. Urbanization that follows non-regulated industrial expansion is, as the economic history of the world amply proves, an unmitigated evil; and where demographic trends are as those of India, is definitely to be avoided.

His Fear

Shri Rama Rau is an a position to commandeer information on the social, economic and political incidence of urbanization, which, orthodox economic theory considers is the index of industrialization and economic development. Urbanization in each of the advanced industrial countries of the world took a tremendous toll of human lives; and Governments in power survived in those countries probably because they were either aristocracies or monarchies. It is certainly impossible for a democracy with universal adult franchise like India either to tolerate it or consider it as evidence of normal growth. In other words, planned economic development must, specially, regulate the pace, the form and the areas of industrialization and urbanization in the larger social interest.

Once again Shri Rama Rau and several industrialists have raised the bogey of inflation to frighten policy-

makers from accepting the recommendation of the Karve Committee. They dread shortages of consumer goods if cottage industries are allotted the responsibility for the production of the estimated increase in consumer demand. Once it is decided that cottage industries should form an integral part of our economy and its development, and the basic operative conditions are provided, the organization of production or increase in output in accordance with demand is not impossible of achievement. Has not our agriculture, the most striking example of private, 'unorganized' small-scale industry, exceeded the targets prescribed by the Plan?

—J. D. Sundram.

ROLE OF VILLAGE INDUSTRIES IN DEVELOPING ECONOMY

Though not specifically, indirectly at any rate, the subject of small scale production claimed attention at the recent session of the Indian Economic Conference and the Conference of the Indian Society of Agricultural Economics at Poona. The title of the Presidential address of Prof. J. J. Anjaria at the session of the latter was "the Role of Agriculture in a Developing Economy." While expressing a measure of satisfaction at the progress achieved during the period of the First Five Year Plan in the field of agriculture, Prof. Anjaria observed that during the next stage of planning what would claim a high order of priority would be the creation of new employment opportunities and in that sense, the plan would be largely employment-oriented.

The most urgent need for the agricultural sector of our economy, he emphasised, was to arrange for the direct utilization of the idle man power in the countryside. Today the under-employed and the unemployed are being maintained at the cost of the principal earners in that sector with the result that savings available for investment in agriculture are thereby encroached upon. That suggested the need for special orientation of industrial programmes and the use of industrial techniques that would make it possible for the agriculturist to turn to industry. It is by "a proliferation and diversification of economic activities", that is, through seeking a decentralised pattern of economy that we would be able, according to Prof. Anjaria, to draw upon the large reserves of man-

power the country possesses.

In his Presidential address entitled "Re-thinking in Indian Economics", Prof. B. N. Ganguli, though adopting a somewhat different approach, came, more or less, to the same conclusion. Discussing the subject of rural-urban economic relations, Prof. Ganguli referred to the competition of machine made products with the products of rural industries as being one of the factors responsible for the growth of a surplus agricultural population. To what extent would this justify the grant of protection to the rural sector of the industry? The case, according to Prof. Ganguli, stands on the same footing as the infant industry protection extended to organized industries in backward or industrially undeveloped countries. The grant of this would, in relation to rural industries, moderate the violence of the economic transition, although it might apparently sacrifice efficiency for the sake of employment.

There are some economists who argue that industrial development in the urban sector and the growth of rural-urban trade that it stimulates, necessarily ensures that people in rural areas will thereby be better off. Apparently Prof. Ganguli does not accept this view; on the contrary he believes that there may be substance in the other view that protection of the rural sector may very well raise the absolute real income of labour in the rural sector. Lastly, examining the terms of trade as between rural-urban areas, where, agricultural regions serve as a hinterland for industrial regions, within a country, the economy assumes, according to Prof. Ganguli, the features of colonial economic relations. Relief can come obviously from measures such as are advocated where conditions of a colonial economy prevail.

MUSINGS OF THE MONTH

(By : THE EDITOR)

Much has happened since this column appeared last in 'Khadi-Gramodyog.' There is much to report and much more to say. There is, however, no need to enter into either a narration or discussion of all that has happened, for what threatened to develop into a bitter controversy has been softened and smoothened by the timely intervention of the Prime Minister.

From 23rd to 30th November last, a special Ambar Charkha demonstration-cum-exhibition was organised by the Sarva Seva Sangh in Delhi, specially for the benefit of the Members of the Lok-Sabha and Rajya Sabha. Several members came to the exhibition and among them were some of the Ministers of the Government of India. A special demonstration was arranged for Pandit Govind Ballabh Panth, the Home Minister who, due to indisposition, could not visit the exhibition. A similar demonstration was held in the office of the Production Ministry. These created a stir in the Indian Capital. The Ambar Charkha became the talk of the town and Members of Parliament pressed for more information about it.

Therefore, the Congress Party in Parliament arranged a meeting for its Members in the Central Hall. The meeting, though confined to the members of the Congress Party, was kept open to others. Shri Gulzarilal Nanda, Minister for Planning, presided, while Shri Shriman Narayan, General Secretary of the Congress, introduced the main speaker of the evening, Shri Vaikunth L. Mehta, Chairman of the All India Khadi and Village Industries Board. Shri Anna Saheb Sahasrabudhe, General Secetary of the Akhil Bharat Sarva Seva Sangh, was another speaker. Among those present in the hall could be seen Shri K. C. Reddi, Minister for Production, Shri Khandubhi Desai, Minister for Labour, Shri Lal Bahadur Sastri, Minister for Transport and Railways, Shri Abid Ali Jafferbhoy, Deputy Minister for Labour, and many prominent Members of the Lok Sabha and Rajya Sabha. Also in the hall was the Ambar Charkha on demonstration.

A Revolution

Addressing the gathering Shri Vaikunth L. Mehta described the Ambar Charkha as the harbinger of a revolution in handspinning industry. He briefly traced the evolution of this Charkha as the result of a series of continued research and experiments for a tool that would answer the qualifications assigned to it by Gandhiji. He had offered a prize of

Rs. 1,00,000 for the invention of a Charkha which was simple in mechanism, easy to operate in village hamlets and almost within the means of the village spinners. Shri Mehta said that the Ambar Charkha answered to all these specifications and declared that, as it stood, it had been found to be an efficient instrument capable of producing all the additional requirements of yarn for the production of 1,500 or 1,700 million yards of cloth, which would be the increased demand for cloth in the country during the Second Five Year Plan period. He referred to the Karve Committee's report. As suggested in it, extensive field tests of all types to collect relevant data were being organised through 100 Parishramalayas distributed in different parts of the country and 15 Vidyalayas to train the personnel for these Parishramalayas. The idea was to introduce some 6,000 Ambar Charkhas and test their suitability to provide the yarn acceptable to the community of handloom weavers. This test had been undertaken in order to satisfy certain criteria enunciated by the Commerce and Industry Ministry. Experiments which had already been carried out by the Sarva Seva Sangh, under different conditions and with different types of Indian cotton, had proved that the Charkha, as it stood, was efficient and could produce the requisite quality and quantity of yarn. Neither the Sarva Seva Sangh nor the All India Khadi and Village Industries Board, however, put forth the claim that the Charkha, as it stood, was the last word on it or that improvements, structural and other, were not possible or would not be effected. Research on these aspects continued and would continue and, as improvements became possible, they would be incorporated in the new Charkhas. But this should not act as a deterrant against the acceptance of the Ambar Charkha programme for incorporation in the Second Five Year Plan. The main recommendation for the acceptance of the programme was its employment potential. Questions had been asked whether the number of Ambar Charkhas that would be required to implement the programme could be manufactured in time, whether that number of handspinners would be forthcoming to operate them and whether sufficient numbers of trained personnel could be provided to implement the scheme. These were questions which had been examined and continue to be examined by the Board and those who work with it. These were formidable questions and required careful consideration. But given the policy and the incentive, there was no reason why these conditions could not be fulfilled. The best incentives were those suggested by the Karve Committee, viz. :-

1 That production by mills and powerlooms should be pegged at their present level of 5,200 million yards.

2 That no additional mill spindles should be licensed.

3 That the spindles already licensed and in comission or in respect of

which active steps have been taken for installation would be enough to meet the expected increased demand for cloth till the end of 1957-58

4 That sufficient experience would have been gained by then to assess the work of the Ambar Charkha.

5 That, at the end of that period, if it was found that the Ambar Charkha did not answer to the purposes of the Plan, licensing of additional spindles could be considered.

Acceptance of these recommendations of the Karve committee and assistance from the Central and State Governments in the implementation of the various aspects of the Ambar Charkha programme would provide the appropriate climate. The wages offered were certainly attractive in the conditions that prevailed today in the countryside.

After Shri Mehta had spoken, questions were asked and answered.

The Nehru Touch

This meeting of Members of Parliament created an atmosphere surcharged with emotion and expectation. A controversy raged and a 'Battle of Notes' between Ministers of the Central Cabinet resulted. The question was raised within the Congress Party and claims and counterclaims were bandied about. The Prime Minister intervened and applied a quietus to the unseemly controversy. He declared that the Ambar Charkha should be given its due place. The view is attributed to him that all production of yarn upto 40's counts should be reserved to the Ambar Charkha and mills should switch on to yarn above the 40's counts and that an assured market should be provided for the Ambar yarn. If the mills produced yarn of coarse and medium counts, that production should only be to supplement the production by Ambar Charkhas. Later, it was reported that the Central Cabinet had tentatively decided against licensing fresh spindles till the Ambar Charkha was tried out.

Thus the Ambar Charkha has fought its way into the highest councils of the country and had won for itself a place in the scheme of building free India into a socialistic pattern based on a decentralised economic and social order. But the attack on the Ambar Charkha has not ceased. This attack comes from different directions and in diverse ways. One direction from which this comes is from the camp of the millowners.

Somani's Attack

Thus, for instance, Shri G. D. Somani, President of the Bombay Millowners Association, says :

"The capacity of the Ambar Charkha to deliver the goods has not yet been fully ascertained...Competent observers delcare that the cost of yarn produced on the Ambar Charkha was $2\frac{1}{2}$ times more than that of the mill product. The Finance Minister is understood to have

tentatively estimated that the subsidy to be given to weavers, if they used hand spun yarn instead of mill yarn, would amount to Rs. 80 crores by the end of the Second Plan. For these reasons, undue haste and over-enthusiasm to foster the growth of hand and household enterprises by ignoring their handicaps might land us into several difficulties."

Shri Somani knows, but fails to recognise, that the Ambar Charkha has not been given a chance to prove whether it can or cannot deliver the goods. The fact that others have suggested further experiment to test its potentiality is no reason why the Charkha itself should be condemned as an inefficient and useless instrument for the purpose for which it is intended. No one, therefore, can seriously accept what Shri Somani says about the Ambar Charkha and its utility. Still he calls for caution in determining the production targets for the Second Five Year Plan in these words:

> "If the handloom sector is allowed to bite more than it can chew and if a rigid ceiling is laid on mill production, the situation may arise when an acute shortage of cloth is felt resulting in higher prices. It may necessitate a drastic curtailment of cloth exports at a time when there is every need for stimulating them to earn foreign exchange".

The Assumptions are (1) that the handlooms are incapable of producing all the additional requirements of cloth—about 1,500 to 1,700 million yards; (2) that this will lead to larger domestic demand for mill cloth; (3) that, hence, exports will have to be curtailed due to larger domestic off-take, and (4) that ceiling of production will, thus, affect exports and, therefore, foreign exchange earnings.

The Export Stunt

Are these assumptions valid ? If only one were to study the export trends during the past few years it would be found that at no time has our export of cloth exceeded the target of 1,000 million yards. The figure passed for shipment in 1955 is reported to be 875 million yards. How much of this has actually been exported is not known. What is known, however, is that the export is uncertain and it will be so much of a hazard to bank on this aspect of cloth trade. The average for the last three or four years works out at about 800 million yards only. The competitive capacity of other countries in foreign markets has increased during this period. In the face of this, to attain the target of even 1,000 million yards in the export markets will require sustained efforts, State aids, and provision of facilities of all kinds.

We have seen the creation only the other day of an Export Promotion Council and now a report says :

> "The Government of India has had under consideration a proposal to

introduce an Export Credit Guarantee Scheme for India to stimulate exports. The Scheme is conceived to be mainly based on the principle of insurance and is intended to provide guarantee to the exporter against loss resulting from circumstances which are beyond his control and which are not ordinarily accepted as insurable risks by insurance companies......While the need for an effective organisation to provide guarantee against export risks is generally recognised, several views have been expressed in regard to the scope of the scheme and the manner of its implementation".

The Government has accordingly decided to appoint an Expert Committee:

"(i) to examine the suggestions made in this behalf and to consider the scope of the Export Credit Guarantee Scheme, and

(2) to make recommendations (a) in regard to the nature of risks to be covered, (b) the basis on which premium should be fixed, (c) the structure of the organisation that will be required for the implementation of the scheme, and (d) any other matter necessary for the successful operation of the scheme".

No one seems to have bothered to calculate the burden that the people of India would have to bear in guaranteeing the exporter against loss, while the cost of subsidy and the like is raised and made much of only when they concern a programme for the welfare of the millions who have been neglected for centuries. It is strange that those who now denounce or decry the Ambar Charkha and the programme for its development, do not compare the special costs and social benefits of the two types of industrial development. Such a comparative study alone can throw into proper relief the extent of the burden the development of large-scale industries has imposed, and continues to impose, on the consumer of their products, the exchequer and the administration.

Baseless Fear

Be that as it may, let us consider Shri Somani's fear of a cloth famine due to the possible increased earnings and purchasing power generated as a result of the implementation of the various development programmes of the Second Plan. He computes that this increased demand will necessitate the production in the country of about 8,800 million yards of cloth for the estimated population of 400 million people in 1960, besides, 1,000 million yards for export. Per capita consumption, he computes, will be 22 yards per annum at the end of the Second Plan period. We are already at the end of the First Five Year Plan. It should be worthwhile for people like Shri Somani to pause awhile and to assess what increased demand there has been for cloth at the end of the First Plan period, what changes there have been in the pattern of either

production or consumption and what alterations have taken place in regional preferences and modes of dress. Such an assessment should provide the clue for anticipating either the rate of increase in the individual's consumption or his capacity to spend during the Second Plan period. Already we are faced with the fact that during the First Five Year Plan period jobs have not kept pace with the demand for them. The emphasis on agriculture and agricultural production has not resulted in the absorption of more people in agricultural occupations. In urban industries also the position is not different. In the meantime, the population continues to grow with the inevitable increase in the unemployed legion in the country. With its emphasis on the development of industries and transport in the Second Plan, can we expect any significant expansion of job opportunities to the urban and rural unemployed and underemployed population? Let us quote Prof. J. J. Anjaria, Economic Adviser to the Ministry of Finance and Chief of the Economic Division of the Planning Commission:

> "Industrial output has increased by almost 50 per cent in the last five years, but there has been little increase in industrial employment. Mining, railways, construction and urban trade have presumably absorbed fairly large numbers, but all this has made little impression on the occupational pattern as a whole. Agricultural production has increased by about 20 per cent in the last five years and, although this must have reacted beneficially on the quantum of work available in the rural sector, it could hardly be expected to reduce visibly the surplus of manpower on the land. Judged in terms of the occupational pattern, the Indian economy has yet to feel the impact of expansionary forces. The process of evolving a more balanced occupational structure must necessarily be spread over a period of years, but it may be stressed that, if the real income levels of the farming community are to be improved, it is imperative that the number of those who share in the net proceeds of agriculture diminishes substantially. Technological considerations permit this and social considerations point the same way. It is only thus that the economy as a whole can be made dynamic and progressive. It is easy to see that economic development requires a continually expanding output of agriculture.... The increase in agricultural output cannot come from new land, of which there is none or very little. It has to be obtained through more intensive and more efficient cultivation...In due course, as the development process gets accelerated, there could even be a reduction in the absolute numbers engaged in agriculture...If under these conditions, incomes per capita in the agricultural sector are to keep pace reasonably with incomes elsewhere,

(Cont. on page No. 60)

THE 20 MILLION HANDLOOM WEAVERS

(By *Shri* M. SOMAPPA)

Mr. M. Somappa, Member, All India Handloom Board, in this article reiterates the capacity of the handlooms in the country to meet the target of 6,000 million yards set for it by the year 1950 by the Karve Committee, urges on the Planning Commission and the Government of India the need for giving top-priority to the welfare of the 20,000,000 dependent on the Industry.

The two important Committees set up to conduct detailed investigations into the Textile Industry have pronounced their concurrent, though independent, verdict that the population of 400 millions in India would require by 1960, 7,200 million yards of cloth, at the increased rate of 18 yards per capita. They also provided for purposes of export. The total target set for the textile industry by the year 1960 has therefore been the figure of 8,200 million yards. Having regard to the fact that the Mill Industry is providing labour now to 7½ lakhs of our population – of which the weaving section accounts only for one lakh, as against the twenty millions of handweavers engaged in the hereditary occupation, it is rightly proposed to peg the mill production at 5,000 million yards and powerlooms at 200 million yards so as to reserve the rest of 3,000 million yards to the hand weaving sector, each handloom which feeds an entire family needs only Rs. 100/- as capital. No foreign aid is necessary for this decentralised cottage industry, surviving as the most vital one, next only to agriculture, not withstanding the discriminating policy of the foreign rulers for past one century. The loom is of simple design costing Rs. 30/- capable of being manufactured by the rural carpenter with purely indegenous materials. It is very easily rated by even the teen-agers, with four to six weeks prior training, enabling an earning of Rs. 1-8-0 per day, which no other avocation in rural area can yield.

The policy adumbrated by both Pandit Nehru and the Planning Commission was unequivocally for reviving the small scale and village industries. The setting up of a few more mills can hardly relive the unemployment among the vast numbers in rural India. But Mr. G. D. Somani, President of the Bombay Mill Owners' Association, propounds the starting theory that India would face cloth famine if production of mills is pegged at 5,000 million yards. He "warns the Government and the Planning Commission against implementing the recommendations." In other words, Mr. Somani's views are totally opposed to the carefully considered views of

a galaxy of committees comprising of men of great experience and impartiality, including the Facty Finding Committee, All India Handloom Board, the Karve Committee, the Planning Commission. Failing to convince and convert the members of these various bodies into his way of thinking in favour of his pet mill industry, Mr. Somani tries to scare the consumers by raising the bogey of "Cloth famine in 1960." India never suffered from cloth famine during the long ages till a century ago when the first textile mill raised its head; on the contrary, in the absence of a single-mill, it enjoyed the global reputation of a pioneer in the cloth industry by exporting huge quantities, thanks to the skill of the hereditory hand weaver who produced the Decca Muslin. Even today the highly industrialised United States is veering round to the artistic elegance of the hand woven cloth made in India. The vitality of the handloom which survived the ruthless competition of the mills throughout the foreign rule was the marvel of the Fact Finding Committee. Its capacity to evolve new appliances and face the competitive prices of the mill sector during that discriminating period in our history is enough to demonstrate its ability to clothe the nation. The primitive throw-shuttle loom which could produce only 3 yards per day was converted into the fly-shuttle producing six to eight yards. While operation on the old throw-shuttle was restricted only to able bodied adults, the fly-shuttle loom can easily be handled by even the teen agers, thus accounting for the 25,00,000 of looms in the country. it is surprising that Mr. Somani cites the figures ot production in the years 1953 and 1954 when the handlooms owing to unprecedented slump and crisis in the Hand-loom Industry recorded the meagre figure of 1,200 and 1,318 million yards respectively. He could have done well to have referred the production figure of the year 50-51 in support of his argument, which was only 600 million yards, but he should remember that taking advantage of the high prices prevalent then due to cloth scarcity on account of Korean War, it was as a direct result of the mills usurping the yarn intended for handlooms for selfish ends and making available to it only 1/3rd its pre-war requirements that such a situation arose. *Does Mr. Somani know that even as long ago as in 1938 with the old type of throw-shuttle loom the handloom weaving industry produced as much as 1,700 million yards ?* The capacity to produce more than double the quantity with the introduction of the fly-shuttle loom today is thus unquestionable. The loomage in 1952 was 28,60,000 as per the Government of India statistics. Even as per the figure taken by the All India Handloom Board at 22 lakhs after eliminating idle and non-commercial looms, and putting the capacity of each loom at the conservative figure of six yards, the output of the handloom in the country will come to 4,000 million yards today. Want of

off-take and other devitalising factors were responsible for the low production in the years 1953 and the next. It may be recalled that the Government had to open Gruel Centres and Relief Centres for the suffering handweavers during this period. It is precisely to avert a similar situation that the Planning Commission and the Government of India should be keen on implementing the recommendations of the Karve Committee. The welfare of twenty millions in any planning should receive higher priority than the undue concern of the few mill owners.

With the improved applicants and equipment proposed to be supplied during the plan period, the output will increase to eight years per loom per day easily outstripping the annual figure of 5,000 million yards, while, the recommendations are only for a target of 3,000 million yards. In order to raise the bogey of cloth famine, Mr. Somani boisters up the per capita consumption to 22 yards, contrary to the careful estimate of 18 yards arrived at by both the Karve and Kanungo Committees. Even as per Mr. Somani's estimate, the non-mill sector will have to produce 4,400 million yards by 1960, which is well within the capacity of Handlooms alone. Did Mr. Somani ever feel the urge for humanitarianism when a number of mills induged in unabashed methods contravening the rules of Government either restricting production or prices, resulting in numerous prosecutions? In the absence of any such evidence, his protestations of "concern for the poor consumers" now when the production of mills is sought to be pegged can deceive none, least of all the consumer who has a good measure of the greed and guiles of the mill bosses in the past. The new self imposed role of the Mill Owners' Association President as the friend of the consumer facing famine in 1960 is amusingly threatrical and woefully unconvincing; at best it serves as a grim warning to the Government and the public against the traps that lie ahead of our national policies and the wiles of the strongly entrenched vested interests, shedding crocodile tears. The Socialistic Pattern of Society must need dispense with the parasitic elements betimes — the textile mills should be forthwith nationalised to preserve the country's economy.

PLACE OF AMBAR CHARKHA

By : *JAWAHARLAL NEHRU*

If you permit me, I will say something about the Karve Report, because it seems to me there has been a great deal of misunderstanding, misapprehension and confusion on this issue. The difference of opinion may come in, in regard to certain emphasis at a certain time. Now, what are our basic approaches ? One is that we want, naturally, to add to production, to add to the wealth of the country, to make the country more and more industrialised. I do not think that we can advance in a big way without having industry on a big scale and without adopting the latest techniques. By big scale I mean not only big industry but also more widespread one. If we want to develop iron and steel plants, we must have the latest type of iron and steel plants; if we have a locomotive factory we must have 'the latest type; if we have anything, say, cement factory, fertilizer factory, defence factories, or the most basic and most important of all, machine-making industry, they have to be of the latest type. We cannot have out-of-date techniques and be able to compete or be able to produce as much out of them. That is one line of approach.

"The Ambar Charkha must be given every possible opportunity to develop. To develop in both ways, the present Ambar Charkha should, first, be tried in the widest possible way. Secondly, to develop it, all necessary technical improvements should be made." Thus says Jawaharlal Nehru, Prime Minister of India, in the article here. It is adapted from his address to Congress Parliamentary party which met recently in New Delhi.

EMPLOYMENT

The other and equally important line of approach is about employment. We cannot afford to have unemployment in the country, specially, large-scale unemployment. To provide employment is not only a duty but a social necessity If we do not, there is trouble, either way. Now, we have to balance these two, and in balancing them, there are many other factors too. There are many othere social factors to be considered. Of course a big objection to the old capitalistic form of industrialisation is that it does not care at all for the social unhappiness caused by it, although finally it increase the production of the country. In fact, the whole of Marx's capital deals with the growth of industrialisation in England and the terrible misery it caused. In fact, the whole basis of the Communist outlook is based on

what happened in England in the 19th century. It is rather out-of-date. One cannot repeat that and one does not want to repeat that in any country. We cannot afford to repeat it because people just do not put up with it. And, of course, we do not want to.

Giving Of Dole

Therefore, while adhering to the principle of adopting the latest techniques, we have to temper it, all the time, by considerations of the effect of it on the employment situation. If something causes unemployment, then, we have to think what to do, because looking at it even from the capitalist point of view, it should be our business to give a dole if we cannot give employment. That is what countries like England and others have to do. Out of the abundance of their production, they give a dole to their employees. We just cannot afford to give a dole. to 10 million persons. It is also a bad thing to give a dole. It is far better to give work than a dole, even though the work may be uneconomical. We cannot have lower techniques and compete in this world, and we cannot have high techniques in our big industry and our middle industry and out of-date techniques in some other industry. But it is worse to pursue a policy which does not help us in solving not suddenly, but as far as we can, our unemployment problem. Apart from the social unhappiness caused and even from other points of view, it is far better to have employment spread out; and when spread out, purchasing power makes the economic system go faster. Agreeing to those principles, how to balance them? We have to do that all the time.

Two Ways

So far as the Ambar Charkha is concerned, it has not been, if I may say so, finally appraised. There are two ways of appraising it. One is that experts should work it for a few months and give their opinion. The other, and perhaps a better way, is that hundreds and thousands of persons, ordinary people, should work it; and we should find out how they have done it, because that is the real test. Now, this is being done. The results thus far obtained are, on the whole, satisfactory. As I said, we are in the middle stage. But they give hope, a fairly good hope. The Ambar Charkha is being distributed to some thousands of persons and their experience of it and their reports would be very helpful. Apart from the technical reports from some technical people who are examining it, even now it does appear to be a hopeful thing and indeed, if I may say so, some what better thing than we expected.

But the Ambar Charkha is not the last word on the subject. As it is, even the Ambar Charkha, when used, can be improved. Obviously, improvements can be made with practice and use, and it can be made a more and more effective instrument. There is no reason why the Ambar Charkha or any such

small household machine should not use electric power, when the time comes so that gradually technical efficiency is achieved in that small machine too, subject always to other considerations of unemployment. It is quite conceivable, indeed possible, that with somewhat slightly improved design of Ambar Charkha, if not with the present one, we can really approach the big production technique. There is one advantage of the small production technique, that is we do not have to transport goods and thus the cost of goods is lessened. Undoubtedly, it will be less efficient, I mean to say, economically less efficient than the big machine. We shall have to balance them. It really becomes a question, not of arguing in the air but of considering all these factors and seeing and giving the highest precedence to the employment factor.

Khadi Board's Plan

The Khadi Board has made out some kind of a programme for the next five years. It is a good thing to have a plan before us to discuss, to have some idea. But as a matter of fact, it is based on a number of uncertain factors. As time goes, say, in thc next six months, we will be in a much better position to talk about the Ambar Charkha. Next year, having known its productive capacity over large areas, snd how it can be improved technically, we shall be in a still better position. The programme we make now will only be a tentative programme which should really be appraised and varied after 12 months or two years. In effect, we should see two years ahead and judge from year to year.

There is another aspect. It relates to estimating the consumption of cloth in this country. The consumption of cloth is going up in this country, going up fairly fast; even if it goes up slowly in the totality it becomes big. If we make an appraisal—whatever our appraisal may be and calculate accordingly, it is all very well. If the demand is much greater, then there is a lag. Then, prices, go up and difficulties occur and inflation occurs. We want to avoid that. We do not want to take a risk in that matter and allow demand to outstrip supply of both sides and thereby create other conditions which affect not only our cloth position but our whole economy. Therefore, it is to be considered how rapidly the Ambar Charkha can produce.

Problem of Organisation

In regard to Ambar Charkha, the main difficulty is not the working of the Ambar Charkha. It may be good. But the main difficulty is in spreading it out over thousands of villages. The main difficulty is with regard to its organisation. It is relatively easy to organize a huge iron and steal factory, but it is difficult to organise something which is spread over more than fifty thousand villages. The servicing of it, if something little goes wrong, is another problem. The giving of raw materials and the collection of yarn is a tremendous

job. If this machinery does not work satisfactorily, as one might expect, then there might be a lack of production. Therefore, one should err on the side of over-production rather than under-production. It is from that point of view, therefore, that one has to think of what spindles might be required in the mills or elsewhere. If by calculation we have enough, then there is no difficulty. If we have not enough, then one has to consider as to what extent we should encourage them. All these matters, thus, become questions of careful consideration of the facts and not of theoretical arguments or principles.

No High Principles

It was indicated to us that there is quite enough capacity at present in the mills, plus, if necessary, a third shift, plus, if necessary, the spindles that are standing idle. It is a matter that has to be considered. My point is that the question is not one of high principle, but of careful consideration in details of the position so that we may spread the Ambar Charkha as rapidly as possible, see its results, and go on spreading it and at the same time seeing to it that no risk of shortage arises because of the growing consumption and demand in the country. I do not want merely an argument about high principles because, so far as I know, there is no difference in our basic approach. There might be differences like emphasis here and there. We have to proceed by method of trial and error, keeping these principles before us and not taking any major risk in the operation.

The Ambar Charkha must be given every possible opportunity to develop. To develop in both ways, the present Ambar Charkha should, first, be tried in the widest possible way. Secondly, to develop it, all necessary technical improvements should be made. That is necessary. Having said that, another point arises, how far one should encourage any additional spindles in mills ? That is a matter of calculation and appraisal of estimates. Our calculations will become more and more accurate as we know the functioning of the Ambar Charkha. It is no good discussing it in the air. With principles I agree, and one of the principles is that we have to push the Ambar Charkha to the utmost. The argument that is advanced is what is the good of pushing the Ambar Charkha if you cannot absorb the yarn that is produced by Ambar Charkha ? That is a very valid argument. We must obviously guarantee the absorption of the good yarn produced by the Ambar Charkha, and then spread the Ambar Charkha.

Expanding Economy

Further, we are fortunately at the present moment having what is called an expanding economy, but we are apt to think in terms of a static economy. The expanding economy means more wealth, more purchasing power and more goods production. If we think in terms of the static economy, then, we put a check on expansion of economy.

All these difficulties arise. It is no good merely discussing some rather vague approaches. The vague approaches are all right but we must also get down to hard facts and figures.

There is one other factor, I may mention, which we should not forget. There is great strain on our finances in spite of our growth because of our big development schemes and there is a big gap between our estimated resources and what we intend to spend. Well, normally, one looks to gap to fill it, may be, by some external assistance that may come, but I do not think we should be too sure of relying on external assistance. And, as various developments are taking place in the external world, it may possibly become not desirable for us to ask for external assistance.

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MACHINERY AND UNEMPLOYMENT

(By VAIKUNTH L. MEHTA)

We reproduce here what Shri Vaikunth L. Mehta wrote exactly 20 years ago in the "Harijan" which was being edited by Mahatma Gandhi. The article refers to industrialisation in relation to employment and draws extensively from the report of two of America's foremost labour leaders of the time as to how industrialisation only adds to human misery, how scientific invention can be directed to social good and how hand industries are a more dependable way of living. Though written 20 years ago, the facts of the problem remain the same. In the current controversy in India on the Second Five Year Plan and the open conspiracy to discredit and redicule efforts to promote Khadi and Village Industries, the outspoken view of the American labour leaders should have salutory effects.

The gravest problem that faces the world today is the growth of unemployment among various classes of the community, compelling all Governments, with the solitary exception of the U. S. S. R. to embark upon programmes of unemployment relief. Although in India the State has not yet introduced any system of unemployment relief, the problem of unemployment is growing in complexity. In two provinces, committees appointed by the local Governments are at work to examine the prevalence of unemployment among the urban classes and to suggest measures for its relief.

In rural areas, the spectre of unemployment has always been present, although it has usually been ignored; and, in addition, there is the problem of chronic under-employment. The Royal Commission on Agriculture in India which devoted some attention to this question, observed that "by far the greater number of cultivators have at least two to four months' absolute leisure in the year." The steady growth of our population, has only served to accentuate the gravity of the situation. Our population which was computed at 35 crores in 1931 is reported to have risen already to 37 crores, and Colonel Russell from his report on the Public Health of India for the year 1933, has no doubt that by the time the next census is taken the population of India will considerably exceed 40 crores. The question of providing employment for this growing population and of feeding it becomes one of the major problems of national policy which must demand immediate attention.

Learn the lesson

Though the economic conditions of our country differ somewhat from those

of other countries, we can learn much from the experience gained elsewhere in dealing with this problem. There are not wanting economists in India who recommend intensive, nation-wide industrialisation as the remedy for this social malady. They forget that industrialization instead of solving the problem of unemployment has, oftener than not, added to the number of the unemployed. In the issue for October 1935 of the AMERICAN FEDERATIONIST, the organ of the American Federation of Labour there is an article by Harry Calkins and Frank Finney on "Why 22 Million Are On Relief" in which the writers examine the influence of the growth of machinery on the economic life of the nation. The United States of America have carried machanisation to the highest degree of perfection that the human mind can conceive at present. The productive capacity of the people of the U. S. A. equals that of 14 other leading countries of the world, and the *per capita* production is 25 times that of India. But has this great productive capacity given the U. S. A. prosperity? The writers answer this question very emphatically in the negative. In the attempt to cut the cost of labour by the use of labour-saving machines, the manufacturers of the U. S. A. have reduced the powers of the population to buy their goods. By the natural process of inventing more and more labour-saving machines, the position has been reached that there is very little work for anybody to do. And this is borne out by figures: statistics show that in the U. S. A. 75 workers can produce as much today as 100 did in 1929. And with what result? There are 45 million employable men and women in the U. S. A. and 25 per cent of these are thrown out of work by the introduction of this process of mechanisation. So that thanks to the new developments there are now out of work 11½ million people for whom programmes of relief have to be devised.

The Price

The application of human ingenuity to the improvement of the machine might have given the U. S. A., the writers admit, some advantage in the world markets, when there were world markets to capture. There are no such expanding now to be conquered and the U. S. A. has to forget foreign trade and first to get rid of its troubles at home. The cost of unemployment relief for all the various public authorities amounted to 17 million dollers last year, and this stupendous figures might increase still further unless some method other than the Government dole is found to cure this chronic unemployment. The solution that is propounded in the article is a novel one. The writers divide into two categories the so-called labour saving machines. Some of these are labour-making machines such as the typewriter, the radio, the koda, the soda fountain, the automobile or the aeroplane. But type-setting machines, air drills, electric motors, steam showels, tractors, textile machinery, shoe machinery, business machines and all auto-

matic machanisms are deemed labour-destroying machines. If only a limited number of the latter type of machines were abolished, the writers claim, jobs could be found without difficulty for those who have been thrown out of employment by the growth of machanisation in all walks of life, business and industry. Not only should labour-killing machinery be abandoned, but the suggestion is made that no patents should be issued in future to manufacturers of such destroyers of labour. It may be argued that this will spell unemployment among those who produce the labour-saving machines. The number of persons engaged in the manufacture of these types of machines is, however, insignificant compared to the large numbers whom their use throws out of employment. Further, the writers urge that the abandonment of this type of machinery will have scarcely any appreciable effect on the prices of commodities. The general experience is that the consumers benefit only very slightly by the lowering of the manufacturing costs which the machines bring about and the manufacturers appropriate most of the savings of machine production. And even if it were otherwise, the writers assert, whenever prices have been high people have had money with which to pay the high prices and business has boomed.

Machine And Man

The conclusion to which the writers come is that scientific invention, though a good tool, is a bad master, and that it is the duty of the State and the community to secure that the inventive faculty is not misdirected. No labour-saving machines should be encouraged that are destroyers of labour, and instead a regular compaign should be inaugurated under the aegis of the State to create natural, as opposed to artificial, channels of employment. There is plenty of work in our country, the writers remark, for all and food for every hungry mouth and scope for the pursuit of happiness for all, if we would stop giving some of the work to labour-saving machines and give it instead to human beings. People should be induced to go back on farms and be taught how to raise all they need. And, in addition, they should be made to learn the lost art of handwork in the industries where human beings working with their hands should take over machine work. That provides a more practical, dependable way of living than our much vaunted civilization has been able to give us.

If in the United States of America that is the conclusion to which the growth of unemployment side by side with the growth of industrialisation and mechanization has led social thinkers, India has yet time to cry halt before that twin process overwhelms her and adds to the miseries of her people. To meet the menace, a practical plan of action is needed, such as is being evolved by the All India Village Industries Association.

TOWARDS SOCIALISTIC PATTERN OF SOCIETY

(By : 'ECONOMICUS')

Report of the Village and Small Scale Industries (Second Five-Year Plan) Committee.

— A REVIEW.

The theme is the evolution of a Socialistic Pattern of Society. The Programme adumbrates the preliminary measures required to be initiated immediately in harmony with the theme and in accordance with the targets of production and employment of the Second Five-Year Plan. The two issues have been clearly brought out in the Report of the Village and Small Scale Industries (Second Five-Year Plan) Committee. Further, the importance of the Report lies in that it points out that the impact of traditional industry will be felt sooner or later on the large-scale industry, so that it becomes necessary to give early attention to major readjustments of policy with regard to the development of the Industrial Sector as a whole in general and large-scale industry in particular.

Delay In Decisions

Another aspect which occurs to one reading the Report is the element of time involved in taking decisions and putting them into execution. The National Development Council had decided early last May that measures needed for the organisation of these industries in connection with the Second Five-Year Plan should be taken in hand well in advance. But some delay has occurred as is evident from the following extracts :

1. "The question of formulating a common production programme between the different sectors of the textile industry was examined by the Textile Enquiry Committee in 1953-54, and its Report is now under consideration of Government ......"
2. "For two industries, namely, rice-milling and oil-crushing, special enquiry committees were appointed with a view to formulating common production programmes. The Report of the Rice-Milling Committee (given sometime last July) is now under consideration. The Report of the committee on the oil-crushing industry has not yet been submitted."
3. The Small Scale Industries Board has submitted a scheme for setting up a number of Industrial Estates all over the country, and this is now under

examination in consultation with the State Governments."

4. "Through the Indian Co-operative Union, it (The Handicrafts Board) organised a survey of marketing and various aspects of the production of handicrafts. The report on the survey prepared by the Union has been submitted to the Board and action to be initiated on the recommendations made is being considered."
5. The Ambar Charkha is still under field-test and its results would be finally known in April 1956.

In addition to these delays arising out of the highly technical nature of the problems to be considered, one should also take into account the time-factor involved in the frequent references to the States not all of which may have sufficient machinery at their disposal to deal with such matters with the required speed and promptness.

Spread out

In the context of the enormous programmes chalked out for execution in the rural sector, one effective method of expediting preliminary formulation of plans and procedures, appears to be to spread out branches of the Planning Commission into all the States and through them make a study of all the problems districtwise. Such branches when suitably developed would also be of assistance to the States in drawing up and finalising workable programmes in the light of advice from the Central Planning Commission who would also be able to arrive at simultaneous conclusions on matters pertaining to the States in the light of information which continuously flows to them from the branches. Increase in expenditure would no doubt have to be incurred, but money spent in this respect amply compensates for the time saved. For example, if substantial percentages of targets of employment and National Income would materialise in $4\frac{1}{2}$ or $4\frac{3}{4}$ years insted of five, the additional income at the increased rate would benefit the country during the remaining part of the Plan period. It might be preferable perhaps to examine the time-factor in this light also.

The third aspect which deserves attention, concerns the terms of reference given to the Committee. The objective situation in the country, influenced as it is by the dynamics of population growth calls for extensive diffusion of industries so that employment potential could be transformed to full fruition within the framework of a socialist pattern and progressive decentralisation. "Our work involves dealing with a field that is wide, our recommendations have also to provide for a changing and dynamic pattern," observe the Committee. At another place they state: "If the large-scale industry is deliberately planned in such a way that component parts are produced in dispersed and small establishments which use centralised facilities for common servicing, assembly and finishing, there would be eonsiderable

economy of effort." Other recommendations also point to the same conclusion that fuller justice could only be done to the subject as well as to the people, if further enquiry could be pursued on a comprehensive basis.

Vast Scope

From the Report itself one could see how vast is the field and how much still remains to be done. For instance, the Khadi Board is able to concern itself with only nine or ten industries. The sphere of work of the Handicrafts Board covers some 42 industries, but the Board has selected only a few crafts for direct and intensive development. The small scale industries constitute a large and heterogenous group with varying levels of technique and this Board's efforts have been largely directed so far towards technical advice and assistance and provision of common service facilities. Some liberalisation in the grant of loans has been effected.

It must be said to the credit of the Planning Commission that from the very beginning they have fully gauged the extent of the problem and have covered a good deal of ground during the last five years. Nearly Rs. 31.5 Crores have been allocated for the development of these industries and six Boards have been functioning actively in the field. In addition other measures of policy have been taken towards strengthening the Khadi and Handloom industries. The Karve Committee's acknowledgment of the Commission's work in this field is deservedly handsome. It is on these foundations that the Committee proceed to formulate their Schemes for investment of some Rs. 260 Crores in the ensuing Plan period.

Basic Approach

In the Report the Committee explain their approach to the whole problem. It is a flawless approach and may be briefly recounted here in simple words. The expansion of modern factory-industries is driving out of employment people engaged in cottage industry and they continuously swell the ranks of the unemployed. Many of those who cling to it are not able to find scope for full employment on account of competition. These problems must be contained at their present level by stopping the further growth and expansion of factory industry wherever it affects the existing village production.

Secondly, Planning for Economic Development means that, for sometime to come, adequate supplies of consumer good would not be available and people are forced to go without them and are put to great hardship. In India, however, the cottage and small scale industries could be in a position to supply the essential consumer goods and thus shortages could be avoided.

At the same time, the Planning Programme must ensure future development on a rational basis, so that uneconomic and low productive rural industries should not become a permanent feature of our National Economy. This leads to the next issue of devising mea-

sures to modernise equipment in these industries so as to increase their productive capacity. While these and other issues connected with them are under consideration, they should also be related to the concept of decentralised economy in the future. This implies that industrial production should be carried out, as far as possible, by small oo-operative units which should be provided with modern equipment and necessary training, so that they could produce goods efficiently and economically. When the traditional industry is properly protected in the initial stages, it would be able to work to full capacity; and as demand increases beyond present capacity, it would then be time (when the pressure of such demand also provides the necessary stimulus) to increase production through utilisation of improved and modern equipment. In order that such an opportunity may develop for the rural industries, it is proposed that some temporary stopping of the growth of large-scale industry should be resorted to.

The main lines of development would thus be along the progressive improvement in productivity both quantitatively and qualitatively and also in the conditions of life and work of large numbers of people engaged in them. And finally, the pattern of decentralised industries could be perfected through organising them into co-operatives which will devote attention to improving the techniques, providing common services, supplying necessary equipment and above all eliminating the burden of middle-men who now finance them and take the profits of trade themselves.

Measures For Development

The Committee then proceed to lay down "Principles and Policies" which indicate the broad outlines of future action.

1. The importance of reducing the present pressure on land is recognised and by providing alternative employment very near the villages, it would be possible to draw off this pressure. Such a transition would require a development of skills, resources and organisation by and through the people of the rural areas themselves.
2. Therefore, those who now pursue the cottage industry should be the first to enjoy the benefits of superior tools and equipment whenever available. Unless this concept becomes an essential feature of economic policy, industrial progress would only result in the exploitation of the rural interests by the urban interests.
3. Whenever conditions favour, modern, improved industry should be organised on a village basis. It would lead to some specialisation and demand for centralised common services.
4. This process of building up from the village base would therefore centre round small towns or big villages located all over the country.

5. The essential superiority of the small and the medium-sized town as a centre of socio-economic life implies that such towns should be developed and the growth of cities should be halted.

6. Co-ordination of production activity between the small and dispersed establishments and the large-scale industry should be aimed at, so as to ensure economy of effort.

7. The pattern of industrial activity visualised is that of a group of villages having its natural, industrial, urban centre, such centres in turn being linked up with larger ones. Thus a pyramid of industry broad-based on a progressive rural economy will be built up.

8. Democratic control of economic life could thus be achieved through expanding federalisation on a decentralised, co-operative basis.

9. Extensive rural electrification should be undertaken to supply power to decentralised industry, the cost of such schemes being charged to the development budget of the State.

10. Control will have to be exercised through the procedure of licensing of plants which directly affect production in the rural sector, the interest of latter being given adequate representation on the licensing Committees.

11. The Committee gives detailed consideration to the issues of "planned supply" of raw materials and equipment to producers, and of finished goods to the consuming markets. The regulated supply of finance naturally occupies an important place in the scheme. The recommendations include a high priority for the development of co-operatives, particularly the purchase and sale societies, guaranteed buying of finished goods in addition to the devices set up for maintaining a profit margin and an assured market, sales assistance through the Co-operative Development and Warehousing Corporation, and direct State Aid and State participation in the initial stages of development, though institutional financing is visualised as a normal process later on. The Reserve Bank will have to play an important role in the proposed financial set-up just as is done in the Agricultural sector.

In regard to the above proposals one or two aspects could be usefully examined here. In the matter of "guaranteed buying" operations, how far would it be right to burden the guaranteeing co-operative societies with normal trading losses as recommended by the Committee ? Having regard to the nature of goods they have to handle in the context of expanded production and competition from cheaper factory-produced goods, and having regard to the possible increase in number and variety of industries which would only hasten to take full advantage of "guaranteed buying." the extent of normal

trading losses cannot be easily forecast. It might be considered how far it would be possible for the Co-operative societies to bear the brunt. In a vast majority of cases, they would be in a nascent state and such handicaps might hamper their growth. Under these conditions, it would perhaps be preferable that the incidence of loss should fall at some other point and not on the co-operative societies and village artisans.

The Committee consider that a well-designed buying and selling organisation with branches in all parts of the country is a *sine qua non* of a scheme of planned transformation of the small and village industries. While there would be general agreement with the proposition, it should also be considered how far it would be advantageous to introduce some element of specialisation in both the fields. In modern times, the buying of raw materials, equipment and other accessories, and the selling of finished goods together with a huge apparatus for publicity, for marketing, and for further scouring of the country and beyond for the most paying markets, have developed advanced techniques of their own. The decentralised industry will have great scope for expansion in the fields of both technology and production and would need specialisation in almost every department of its activity. In designing the co-operative organisation, therefore, some provision should be made for gradually increasing specialisation in consonance with progressive modernisation of production and sale.

"Creating A Favourable Climate"

In the Chapter on the "Framework of Suggested Measures,' the Committee have classified their recommendatios into four groups. viz.

1. For stabilisation of the existing village sector, so that evolution of the future pattern of decentralisation could begin thereafter.
2. For improvement of financial, trading, technical and labour structures of traditional industry.
3. For the ensuring of the full attainment of production targets through incentives such as preferential purchase, assured markets, price differentials and the like; and
4. For the provision of socio-economic overheads and external economies.

The cumulative effects of these measures would be first to rehabilitate the existing units of production and to provide the necessary favourable climate for future growth and expansion.

Planned Programme

The Committee then proceed to lay down the targets for the respective industries. The available capacity in each industry is examined, the scope for development defined, and the financial allocations are estimated. A working plan has been prepared.

One feature of the financial allocations may be noticed here. An amount of Rs. 65 crores has been allocated for

the small-scale industries. From the Report it is not clear as to what industries would benefit and to what extent. It is more than probable that some duplication of effort is going on as between the large and small scale industries on the one side and as between the small scale and cottage industries on the other. It appears that this sector is in a peculiar position by virtue of its advanced techniques and comparatiyely smaller size of its units, to compete with both the large-scale and cottage industries. If this is so, the weakest sector faces competition from two directions and efforts to sustain it should be nullified. Could it be easily assumed that the growth of the small scale industries sector has absolutely no influence on the fortunes of the cottage sector? All such factors could be more closely examined if the proposal made earlier in this Review for a comprehensive enquiry into traditional and modern industry finds acceptance,

Pattern of Organisation

In suggesting a suitable pattern of organisation, the Committee once again emphasise the importance of integration of policy in regard to the whole field of industry, large-scale as well as small-scale. In view of the inherent importance of rural industrial development, the Committee favour the appointment of a Minister of Cabinet rank at the Centre and to bring about the much needed co-ordination of policy, an appropriate Committee of the Cabinet is named as a suitable agency.

The organisation in the States would be strengthened more or less on similar lines. The six Boards. namely, the Khadi Board, the Hand-loom Board, the Small Scale Industries Board, the Handicrafts Board, the Silk Board and the Coir Board should function as at present, but with effective co-ordination. The position as regards the future administration of the Plan through such Boards, statutory or otherwise, should be examined afresh.

One or two points might be mentioned here. It appears the need for co-ordination is much greater than the Committee visualise. The rural industries sector is under two Ministries; the Tribal Welfare Board, the Harijans and Backward Classes Welfare Board and the Social Service Board have their activities mainly centred in the rural areas. The displaced persons' welfare is under the charge of yet another Minister; the Community Projects and National Extension Service Administrations have already been functioning in full swing. The Ministry of Agriculture has to lend assistance through the Warehousing Corporation. The Minister for Planning is naturally concerned with the problem of Employment, while the Labour Exchanges are under the Labour Ministry. All these organisations will be concerned in varying degrees with the execution of programmes for developing employment in the rural industries sector. The very multiplicity of these institutions together with six Boards functioning in the sector of small establi-

shments, urgently calls for closer co-ordination in carrying out policies and programmes. In order that effective action is ensured, it is suggested that in addition to the Committee's recommendations, a subordinate Branch of the Planning Commission be created to devote continuous time and attention to the comprehensive problem of rural regeneration in all its manifold departments of life and to evolve well-co-ordinated and clearly demarcated programmes for execution by all the above agencies. Such a body would be helpful to the Central and State Governments as well, and even more so to the field-workers whe could then produce still better results.

Role of Ashrams

Farther afield, one ought to give some fair consideration to the role of "Ashrams" in the rural life of India. For some time the growth of such social-service institutions should be encouraged. Such institutions may be found in almost every district in the country. They have a distinct, albeit a limited, role in the present conditions of general backwardness and they should be brought into a systematised and organised pattern for executing at least some of the heavy and cumbersome programmes.

In a similar way, educated persons who have retired from active service either in Government offices, or public institutions such as the municipalities and the local boards or in commercial and industrial concerns should be encouraged to settle in the villages. They could execute limited but well-chalked out programmes in small, compact areas and some form of limited, additional incentives could be provided for them. To the extent that "Ashrams" and retired personnel are brought within the sphere of regulated execution of parts of the over-all programmes, the need for manning tne entire administrative personnel at full cost would be obviated. There is need for economy of all sizes in the present scarcity of resources.

As already indicated earlier, the question of setting up a proper type of organisation for implementing a regular and normal programme for village and small-scale industries, still remains. 'Such a programme would be so much a part of the normal activities of planning, finance and administration of the Central as well as the State Governments that it cannot, either with constitutional propriety or operational efficiency be diassociated from the regular plan administration for long.' They, therefore, suggest a fresh consideration as regards the future role of the Boards and similar agencies.

At the time of writing, the matter is being considered by the Government.

The Review now draws to a close. The Members of the Committee are well-known for their erudition and sincerity of purpose. Amidst manifold duties, they have produced a classical work and have rendered immense service thereby to the cause of the vast masses of poor and unfortunate people. Their labour will not go in vain.

COTTAGE INDUSTRIES AND THE SECOND PLAN

By : PROFESSOR K. N. VASWANI

> The name of Prof. P. C. Mahalanobis, Statistical Adviser to the Government of India, figured prominently in the discussions and controversies on the draft Plan Frame when it was first published. A section of the Indian press and economists were particularly acrimonious in their reference to the Professor and his proposals for the Second Five Year Plan. Particular reference was made to the place he assigned to what he called the hand and household industries sector. Few, however, made an attempt at an objective assessment of the proposals made by Prof. Mahalanobis. In this article Shri K. N. Vaswani, Editor of Bharat Sevak, the monthly organ of Bharat Sevak Samaj, brings out the salient features of Prof. Mahalanobis' plan and its approach.

The population of India is increasing roughly at the rate of 4.5 millions a year. With a proportion of about 40 per cent in the labour force, about 1.8 millions of persons enter the labour force every year. In addition, a large number of persons in urban areas are without employment and a great deal of under-employment exists in villages. Planning must be bold enough to provide new work for about 1.8 million new entrants into the working force every year and also to offer more work to the large number of persons who are without jobs or who are under-employed at present. "Unemployment especially in urban areas is increasing," thus prefaces Prof. Mahalanobis his draft Plan-frame, his analysis of the basic economic problem of India, which leads him, in para 3, to the conclusion that the eight objectives of the Second Five Year Plan must include the following four:

(i) to increase the production of consumer goods as much as possible through the household or hand industries and to provide an adequate market for the products.

(ii) to develop factory production of consumer goods in a way not competitive with hand industries;

(iii) to liquidate unemployment as quickly as possible and within a period not exceeding ten years;

(iv) and, as the result of such measures, to increase national income by about 25 per cent over the Plan period, and achieve a more equitable distribution income.

Key To Progress

Cottage industries are the key to the solution of the problem of unemployment and underemployment in India was the conclusion reached and proclaimed by Gandhiji. Economists of the Gandhian school of thought like Prof. J.C. Kumarappa, Shri Shriman Narayan, Shri Bharattan Kamarappa and several others are never tired of reiterating this conclusion which has now dawned on the minds of those who have had to prepare the draft of the Second Five Year Plan.

Here is how Professor Mahalanobis develops, in Paras 4 and 5 of the Draft Plan frame, the argument presenting the case for cottage or, what he calls, 'household and hand industries.' 'The Heavy industries, being capital intensive, would give relatively little scope for employment; and would also generate a large demand for consumer goods which they themselves would not be able to supply.

'The increasing purchasing power and consequential demand for consumer goods must be met by increasing the supply of such goods as much as possible through the expansion of house-hold or hand production. This would also quickly generate a large volume of work all over the country'.

'Construction work (roads, houses, irrigation and flood control projects, etc.) by hand would also be increased, which would create a good deal of employment and generate demand for consumer goods.'

'The greater the marketable surplus of consumer goods in the household or hand industries, the greater will be the possibilities of investments in heavy industries without any fear of inflation.'

'By expanding the house-hold and hand-industries and construction work, the aggregate national consumption would increase continually. Also, relatively more employment would be created among the poorer sections of the people so that the greater portion of the increase in income would go to them.'

His Case

His argument rests on:

Firstly, the admitted inability of heavy industries which are capital-intensive to offer much scope for providing employment in contrast with cottage house-hold or hand industries which, it is acknowledged on all hands, create a good deal of employment.

Secondly, on the capacity of the heavy industries to be able to meet the demand for consumer goods, which they themselves generate and increase.

Thirdly, the capacity of cottage or household and hand industries, to make possible increased investment in heavy industries, by combating the danger of inflation, by means of making available increased supply of consumer goods, through their organised expansion, and

Fourthly, by cottage industries, effecting a more equitable distribution of income through wider employment.

Gandhiji, it may be recalled, had time and again drawn the nation's attention to the fact that, since our country is rich in labour resources and short in capital resources, *our true economics should mean a more liberal use of our labour and more economical use of our capital resources* and he argued and explained how decentralised production through cottage industries meant more equitable distribution, automatically effected in the very process of production. It is gratifying that message of the Master has at last reached and begun to react on the minds of those who are entrusted with the drafting of the nation's Plan and that they are now more inclined to accept the truth perceived and proclaimed by him. Gandhiji may not have been a student, in the academic sense, of Economics; he, nevertheless, could size up and diagnose the situation in more realistic manner. He possessed the insight of a seer and the vision of a prophet. His was the practical outlook of a statesman and as a man of the people, his hand was ever on the pulse of the pressing problems of the people.

Liquidation of unemployment or provision of employment having been put forth as one of the principal objectives of the Second Plan and cottage or household and hand industries having been acknowledged as the main means for combating unemployment and for offering larger scope for employment, Prof. Mahalanobis, in Para 6 of Draft Plan Frame, has provided for prevention of competition by factories with cottage or household and hand industries. He has suggested imposition of appropriate excise duties on factory products to maintain desired price parities with hand made goods.

Consumer Goods

To Quote :

'The production of consumer goods in factories requires heavy investment of capital per engaged person and in many cases competes with the house-hold or hand industries. Until unemployment is liquidated or brought under control, it is necessary to prevent competition between factories and household or hand industries by not permitting investments to be made in such consumer goods factories as would prevent expansion or lead to a shrinkage of employment in the hand industries.'

'In the immediate future the factory production of consumer goods would be expanded (where it is not competitive with hand industries) to increase the supply of essential goods like anti-biotics, fine drugs, etc., or of goods for export to earn foreign exchange,,

It is recognised that the price of hand-made goods would be often higher than the price of factory-made goods of comparable quality. Appro-

priate excise duties (which would be selective) would be imposed on factory products to maintain desired price parities with hand-made goods in such cases.

'Once mass unemployment has gone, the aim would be to provide cheap power and small machines to the household sector and hand industries to increase productivity per worker and hence the total national product. At this stage the factory production of consumer goods would also be increased.'

The para 7 of the Draft Plan Frame provision has been made for the supply of credit, raw materials, and marketing facilities to the household and hand industries through an organisation of co-operatives with the support (or the direct participation or partnership) of the Government.

The Targets

In the section 'Targets of Production,' Para 15 of the Draft Plan Frame and the relevant table reproduced below, present the targets in respect of Khadi, handlooms and other hand-made articles.

'Every effort must be made to expand the hand production of consumer goods to provide a marketable surplus to meet the increase in demand.'

'Production (of cloth) would be increased to 3,200 million yards (from about 1,200 million yards in 1953-54)'.

'Production of other hand-made articles must be increased by 20 to 40 per cent.

Name of item	Unit	Actuals 1950 51	1953 54	Provisional 1955 56	1960 61	Estimates Percentage increase
1	2	3	4	5	6	7
Khadi and hand-loom	m. yds	742	1200	1600	3200	100
Soap	th. tons	—	—	28	40	43
Footwear	m. pairs	—	—	80	100	25
Food industries	index	—	—	100	120	20
Metal wares	index	—	—	100	133	33

The position in regard to cottage or household or hand industries has been summed up by Prof. Mahalanobis thus in the section 'Investment and Development.'

'The greatest importance is attached to the expansion of the household and hand industries as this would be the principal method of liquidating unemployment and also of creating a marketable surplus of consumer goods to meet the increase in demand arising from investments in heavy industries, construction

work and expenditure on social services. Rs. 200 crores, or Rs. 40 crores per year have been provided for this purpose.'

This provision of Rs. 200 crores or Rs. 40 crores per year for investment in cottage or household or hand industries has been judged against the background of the total investment programme of the Plan as a whole, as also with reference to the programme in respect of industries as shown in the tables given below:

Allocation Of Investment' **(Crores of Rs.)**

Sector	Public	Private	Total	Percentage
1. Electricity	450	50	500	809
2. Industry	1,000	400	1,400	25.0
3. Transport and Communication	850	50	900	16.1
4. Agriculture & Irrigation	750	200	950	17.1
5. Construction	250	1,100	1,350	24.0
6' Stocks	100	400	500	8.9
TOTAL	3,400	2,200	5,600	100.0

Allocation of investment By Industries

Industry	Investment (Rs. crores)	Percentage
1	2	3
1. Iron and steel	425	30.4
2. Synthetic petrol	80	5.7
3. Heavy machinery to fabricate plants for		
(a) steel and producer goods	150	10.7
(b) electrical equipments	40	2.9
(c) consumer goods	50	3.6
4. Cement, chemicals, etc.	100	7.1
5. Existing State enterprises	60	3.6
6. Aluminium	30	2.1
7. Minerals and prospecting	75	5.4
8. Fertilisers	100	7.1
9. Factory consumer goods	100	7.1
10. House-hold and hand industries	200	15.3
Total	1,400	100.0

The following tablies indicating estimated volumes of employment as also expected increase in national income are interesting as well as instructive, showing as they do, the relative contribution of cottage and household industries.

Estimated Volume of Employment

SECTOR	1955-56	1960-61	(in million) actual (in million)	Increase (percent)
1. Agriculture & allied pursuits	109.5	111.0	1.5	41
2. Mining & factory establishments.	4.0	5.7	1.7	42
3. Household enterpirses and construction	12.0	15.0	3.0	25
4. Communication, railway, banks, insurance	1.6	2.0	0:4	25
5. Wholesale and retail trade, transport (other than railways) etc.	10.0	12.0	2.0	20
6. Professions, services (including Govt. administration) and the rest.	14.9	17.3	2.4	16
Total	152.0	163.0	11.0	7

Expected Increase In National Income

SECTOR	(actuals) 1950-51	(Estimates) 1955-56	1960-61	Increase (percent)
1. Agriculture & allied pursuits	45.2	52.8	63.4	20
2. Mining & factory enterprises	6.6	9.0	15.0	67
3. Household enterprises and construction.	9.3	10.2	14.3	40
4. Communications, railways, banks, etc.	3.1	3.6	4.7	30
5. Wholesale & retail trade, other transport	13.4	15.1	18.8	25
6. Professions, services, including Government administration and the rest.	14.3	17.3	20.8	20
TOTAL:-	91.9	108.0	137.0	27
7. Population (millions)	359.3	383.7	409.7	7
8. Per capita income (Rs.)	256	282	334	19

It would appear that while in the matter of increase in income, household enterprises and construction are expected to show the highest percentage increase, next to mining and factory enterprises; in the matter, of estimated increase in the volume of employment, they top the list, being estimated to offer the highest number of 3 million out of a total of estimated increase of 11 million jobs. But Prof. Mahalanobi's approach is utilitarian and not fundamental. In the last part of para 6 in the section 'General Aims and Objects' of the Draft Plan-Frame, referred to above, the last sentence would appear to indicate that the framers of the Plan are really believers in factory production even for consumer goods, but have conceded a place in the Plan to cottage or household or hand industries through sheer fear of increasing unemployment, the menace of which grows and in a democratic country, with adult franchise, may upset the Govt., or create a national crisis. The true economics of cottage or household industries, their socio-economic significance, their superiority in the matter of effecting automatically a more equitable distribution and in helping to create a more equalitarian society, are not really recognised and accepted. It would also appear that the planners are providing for the promotion of cottage industries through the Plan only as a necessary evil, as an unavoidable expediency, without faith in the value and without genuine appreciation of the philosophy, behind the development of cottage or household industries.

Yet, the provisions in the Plan for promotion of cottage or household and hand industries would deserve support at the hands of even those who think and believe like me, for we can have the faith and the assurance that time will yet teach those entrusted with Planning for India, what they have been reluctant to learn from the Mahatma, that the demand and compulsion of circumstances would dictate the continuance of the policy of active planned, promotion of cottage or household and hand industries as a long-term, wise and sociologically more sound policy.

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NAI TALIM AND VILLAGE INDUSTRIES

(By : *RAMKISHORE*)

Education through life-activities and through some practical, creative work was the last thing evolved in the mind of Gandhiji, after he had given to the country such gifts like Khadi, village and small-scale industries, and other constructive programmes like Harijan seva, Gram-seva etc. Gandhiji had said that all the constructive activities combine together in Nai Talim or Basic Education as it is commonly known.

Nai Talim suffered the same kind of opposition, disregard and disbelief from the so-called enlightened public, officials and unofficials, as the village industries had suffered. Even now, when special efforts to rejuvenate the village industries and Khadi are being made by the All India Khadi and village Industries Board, Nai Talim remains, to a great extent, ignored and disregarded.

Congress support

The All India Congress Committee which has avowed itself for a Socialistic Pattern for India, has, however, realised that to achieve this aim, Basic Education is the only stepping stone. It has, therefore, recom nended that, within a period of ten years, most of the schools in the country should be turned into Basic Schools. Efforts have been also started in official circles move to in this direction. The Central Advisory Board of Education has appointed a standing Committee on Basic Education to formulate ways and means for a proper and systematic development of Basic Education. This standinq committee consists of such educationists and thinkers like Kaka Kalelkar, Shri Shriman Narayan, Shri E W. Aryanayakam and others. This Committee has put forward very healthy suggestions for the immediate implementation of Basic Education.

It was thought necessary to think in terms of linking basic education with village industries, as the latter serves as the media of education. Prof. D. G. Karve, Chairman of the Village and Small-Scale Industries Committee, was specially invited by the Standing Committee to express his views on the above subject. Prof. Karve, in a talk with the Committee on the 20th October, 1955, explained the lines along which contact might be established between the programmes of development of village and small scale industries and those of basic education. He emphasised that the recreation and development of personality

of the rising generation was a *sine-qua-non* of all our developmental programmes and that special care should be taken for providing such education as may fully meet this requirement of national development. He said that the training-cum-production centres which would be established in Community Project and National Extension Service Blocks for the benefit of servicing artisans like carpenters and blacksmiths, supply artisans like weavers and decentralised industries, will be run on a co-operative basis and with improved equipment and that these might be utilised for imparting better training in crafts in Basic institutions,

The suggestions put forth by Prof. Karve are worth deep consideration on the part of the Union and State Governments, particularly with a view to co-ordinate the development of society in terms of better living standards, better supply of necessaries of life, better and fuller employment, better health and better education. Education is not a detached thing in life; it does not occupy a secondary place in the real national planning. On the contrary, proper education—and that too, education for life and through life—comprises a prominent and comprehensive programme in the national life. And the best form of education in the present state of India, and surely in the near future also, is the basic type of education which is imparted through relation with actual work in agriculture, village crafts and small industries, as well as through life activities like cleaning, cultural activities taking care of the sick and various others.

Karve Plan

The suggestions of Prof. Karve are summarised below:

"In so far as basic education encourages the spread of scientific knowledge through its correlation with the environment of the children and the development of manipulative skills, it would serve a very valuable purpose as an aid to the success of all schemes of rural development, agricultural as well as industrial. Expense on basic education would, to this extent be really legitimate development expenditure."

'More particularly, recent development in National Extension Training and the proposed programmes for rural and small-scale industries could be corrected to basic education in at least three stages. Take first the servicing crafts in rural areas, e. g., carpentary, smithy etc. Production-cum-demonstration centres have been established in several Extension Blocks. These would very soon spread all over the country. For the teachers of basic schools and for at least some of the senior students, these centres and the staff engaged in them could serve as useful opportunities and aids for practical experience in improved craftmanship."

"For the traditional supply occupations in villages, e.g. weaving, oil-pressing tanning etc., new programmes of production with improving

techniques are being planned. As a rule, these programmes will work through cooperatives which will receive considerable assistance, financial as well as technical, from the State. The training potentialities of these programmes for the common mass of youngsters and their teachers have never been fully appreciated. By bringing the trainees of basic educational institutions into closer contact with the functioning of these centres of improved occupational activity, the highest purpose of education as well as of industry can be better served.

Urban Centres

"For the urban centres, especially the large number of semi-urban places dotted all over the country, a very extensive programme of small scale industries run with appropriate mechanical aids, and with cheap electrical power, has been recommended. This programme will also be part of a publicly sponsored policy. For the teaching personnel of the basic schools, especially of the higher grades and those located in urban areas these establishments will serve as good training centres.

'The policy of decentralised development which underlies our national planning creates more favourable conditions for a purposeful and creative education. In its turn, a wide-spread system of basic education which trains the new generation in the qualities that make for creative and developmental interest will contribute to the success of national planning. The whole system of education can thus be thought of as an integral part of the national plan for all sided development of the people.'

We have every hope that in preparing the Second Five Year Plan, this coordination and correlation between the Rural and Small-scale industries and Basic Education will be provided for.

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OIL PRESSING AMONG BHILS

(By: R. M. RANADE, *Secretary, Madhya Bharat Khadi and Gramodyog Board*)

I had heard that the Bhils and Bhilalas of scheduled area of Madhya Bharat extract oil from Mahua seeds (Toli) for their home consumption. In my recent tour of Amkhut-Kathiawada area, I was able to collect more information about oil extraction and see the implements.

It is wellknown that the Bhils and Bhilalas collect Mahua flower and also the seeds during the summer season and sell them as forest produce in the nearby market. This gives them employment for about two months or so. The Mahua seeds are known as *Toli.* One man is able to collect about ten *chowki* of oil seeds per day (one *chowki* is approximately 4 seers). The seeds collected are first dried and sold in the market at a very low price varying from 4 to 8 annas a chowki. At best an Adiwasi will get about Rs. 5/- a maund. Collection of oil seeds, drying and marketing all told give him an average of Re. 1/- per day during the short season.

The Adiwasi preserves a certain portion of the collected oil seeds for self-consumption. The dried oil seeds are powdered by the mortar-and-pestle process (same in handpounding of rice). The powdered oil seeds are sieved. The process is repeated till the whole quantity is concerted into fine powder. This work is done by Bhil women as a part-time job. A Bhil woman, working for 8 hours a day, can powder one maund of oil seeds.

Then the powder of *Toli* seeds are tied in a gunny bag in a tubular form and properly steamed by keeping the bag at the mouth of an earthen vessel containing boiling water. The gunny bag is taken out when fully steamed and the two ends of the tube are tied to two poles making the tube horizontal about 3 to four feet above the ground level. The tube is pressed with the help of a clamp or hand press and the oil trickles down. The press is moved along the gunny bag to exhaust the whole charge.

The hand press consists of two crude planks resembling small sized cricket bats tied at the bottom with a rope. The gunny bag is kept between the two bats and the handles are pressed-

In practice legs are also use for trampling in order to increase the

pressure during oil extraction. Oil extraction work is done by men only. One man is able to finish one charqe of four seers (chowki) in ten minutes and extract about half seer of oil, that is abous $12\frac{1}{2}$ percent of the wiehgt of oil seeds. A rough estimate of the cost of oil is as under ;-

Collection Charges of 1 maund of oil seeds	Rs. 1
Powdering charges	Rs. 1
Steaming and extraction charges.	Rs. 1
	Rs. 3

At this rate, the Bhil family gets oil at 10 annas or less a seer. The oil cake of the *Toli* seeds is preserved for the rainy season and is used as fuel. They say that it burns like a candle.

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THE WRITING ON THE WALL

(*Contributed*)

It appears that for sometime to come, India must march towards her economic destiny not only on the wheels of her Industrial Machines, her locomotives and her automobiles, but also on the far more humble wheels of the Charkha humming in lakhs of her cottage homes spread all over the country. A study of the employment background of industrial activity in the country to-day leads one to the above conclusion. According to the Commerce Ministry's Census of Manufactures for 1952, despite an increase in fixed investment from Rs. 196 crores in 1948 to Rs. 301 crores in 1952, the number of workers employed had gone down from 1,545,665 to 1,495,816 a fall in employment of some 50,000 workers. This has happened in a field where an additional investment of Rs. 105 crores is (at least theoretically) supposed to give scope for additional employment even if it be to a very limited extent.

Writing On The Wall

During the four years 1948-1952, India's population has increased by an estimated 180 lakhs out of which nearly 40% or 72 lakhs would represent an addition to the country's working force. The figures also seem to provide an odd comment on the Finance Minister's view that a subsidy of Rs. 150 crores over the next five years to some 25 lakhs of Khadi spinners might strain the resources for the Plan.

Be that as it may, the employment trends revealed as above, could be reasonably interpreted as something in the nature of a "writing on the wall". The country seems to have been caught between the two pincer jaws of :-

(i) Improved industrial technology which successfully aims at reducing man-power in industry in which heavy investment and large expansion are contemplated, and

(ii) A steady growth of population at the rate of some 450 lakhs every ten years in an economic environment rendered almost static by the very weight of numbers added every year.

It is in this bleak economic atmosphere that the Ambar Charkha stands out as an instrument for solving the problem of mass unemployment, and as the herald of the future decentralised industrial development which all the modern techniques could be made available to the rural co-operative producer.

The issue, therefore, is not one of tiding over cloth-shortages which do not exist, by the ordering out more mill

spindles. The addition of new mill-spindlage will only aggravate an already difficult position.

Ambar Charkha

In this context, the appearance of the Ambar Charkha on the scene is timely and facilitates the laying of the foundations of decentralised techniques in industrial expansion. The need for the growth of cottage industries becomes not only apparent but urgent. All the technological advances and advantages of modern research must immediately be made available to the smaller village industries, so that their productive efficiency suffers from the minimum of defects generally associated with hand production. Are the research resources of the country so limited that they cannot be made available to the cottage industry? It must remembered that, after all, the Indian Textile production originally belonged to the villages. In the set-up of a Socialistic pattern and with the initial help of the Ambar Charkha, the textile industry is now making an effort to go back to its own, original ancient home and is trying to recapture its former glory and tradition.

It is essential that the process should be speeded up, and lakhs of people should be immediately rehabilitated, their production techniques improved. Viewed in this perspective, the question of increasing mill-spindlage recedes into an insignificant background.

The Transition

The problem, of course, bristles with many serious and practical difficulties. But which national problem is not? The evolving of the Socialistic Pattern of Society is by itself a tremendous problem. It involves a steady, not Perhaps very smooth, transition from capitalist economy with its concentration of power and pelf in the private hands, its highly advanced techniques and its enormosouly cheaper costs of production, to a Socialistic Pattern of economy where disparities are levelled down, and the means of production pass into the hands of the people both collectively and severally, where costs of small-unit operation are comparatively higher, where skills have to be revived which have languished if not altogether perished in the last two hundred years. Their present condition ought not to be compared with that of modern industrial units which have accumulated large assets and have enjoyed prosperity, thanks to two World Wars and the Nationalist Movement. Each one of these units had enjoyed the benefits of State protection some time or other and continue to enjoy in one form or another,

It is, therefore, inevitable that whenever an attempt is made to initiate measures for starting the process of decentralisation of any industry, one must come up against the problem of high costs referred to by the Minister for Commerce and Industry or that of 'heavy' subsidy of Rs. 30 crores a year as mentioned by the Finace Minister. The higher cost of production on Ambar Charkha will have to continue until higher techniques are made available

to the Khadi spinner. It might be that, by the time producer goods roll off the the Assembly lines of the Public Sector industries, it will be possible to design improved tools and implements to fit in the pattern of decentralised production. If the choice before the country is either to accept a small burden of the higher cost of the Ambar Charkha, produce or to let lakhs of people starve for want of fuller or whole-time employment opportunities, there will be no doubt that humanity and human values will determine the choice.

Financial Burdens

As regards the burden of Rs. 30 crores subsidy, the problem might be viewed from a slightly diffferent angle. The subsidy will help some 25 lakhs spinners and will work out to no more than Rs. 120 a year or Rs. 10 a month to each spinner. If weavers also are brought within its scope, the amount migh not exceed Rs. 8 a month per capital. One is tempted to ask whether this is, after all, such a heavy burden in the context of providing employment to 50 lakhs or 30 lakhs of peope. A suggestion has already been made by the Planning Commission that "for the rural areas also, it would be an advantage to hold in readiness a number of labour-intensive schemes of public works in case of threatened unemployment. Steps must also be taken to collect promptly data about emerging pattern of employment and unemployment so as to facilitate the adoption of remedial measures in time." As such a provision is already contemplated, would it not be possible to off-set the amount of subsidy against this item? In any case, if the Ambar Charkha programme is handicapped or hampered in its development to the fullest extent planned, will it be possible to provide employment under any State-sponsored Relief Scheme to 25 lakhs people at such a cheap cost as Rs. 30 crores? Incidentally, the phrase "threatened unemployment" used by the Planning Commission and quoted above, needs to be clarified in the present context and in the context of the estimates of unemployment in the country as given by the Panel of Economists who states: Leaving out the problem of unemployment and under-employment among the cultivators, about 34 lakhs of people are wholly unemployed and there is a volume of under-employment equivalent to 49 lakhs of man-years, the major portion of the incidence of both being found in the rural areas."

Delay, No, Solution

Though the cost of production and the burden of subsidy would remain comparatively high in the initial stages, there is no hope that by postponing the adoption of Ambar Charkha, the problems will resolve themselves at any foreseeable distance of time. They would rather be accentuated as days go by and would confront the country again with a rebound at not a very distant future.

Should such a legacy be left to the rising generation?

The question simply is : When shall decentralisation, which is the main feature of a Socialistic Pattern of Society, and the principal instrument in levelling down disparities, commence its operation ? The plea of high production costs could be universally applied to any industry, not merely cotton textiles. Small-unit production always implies comparatively higher costs and the process of decentralisation has no alternative but to go through it until economic conditions re-adjust themselves to the changed pattern when new values, new concepts and new standards of life will gradully emerge. Delay or postponement will only add to the difficulties of transition. Hence the need is to make a beginning now.

In conclusion, it will be appropriate to quote the Panel of Economists once again :

> "A bolder plan is, obviously, not merely a bigger plan; it must be one which is motivated by a bolder economic and social philosophy. Necessarily, it calls for a much greater effort and contribution by all classes of the community and presents a much greater challenge of organisation and administrative achievement. The Panel also wishes to emphasize the fact that clear decisions of the policy and institutional implications of a bolder plan are essential at the very outset, if the several objectives and targets are to be realised."

EAT MORE AND MORE

HONEY

★

Extracted the modern way

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HONEY builds body and beauty

and

Kills fatigue - Eat Apiary Honey

and get rid of

That Tired Feeling

NEED FOR HARD THINKING

(By *PROF. D. R. GADGIL*)

(A Broadcast from AIR, Poona)

When I undertook to deliver this talk it was expected that draft outline of the Second Five Year Plan would be published before the end of November and I had hoped to base my talk on the proposals contained in the draft outline. It happens that the draft outline has not yet been published and I have to deliver this talk with no firm guidance as to the proposals of the Planning Commission. What I say to-day, therefore, largely reflects my personal views.

Some general indications regarding the structure of the Second Five Year Plan are, however, available. The National Development Council has accepted in general the basic approach to the Second Five Year Plan as embodied in three papers presented to it. One of these three, the draft plan frame of Prof. Mahalanobis contains the following:

> "The increasing purchasing power and consequential demand for consumer goods must be met by increasing the supply of such goods as much as possible through the expansion of house-hold or hand production."

> 'The production of consumer goods in factories requires heavy investment of capital per engaged person and in many cases competes with the household or hand industries. Until unemployment is liquidated or brought under control, it is necessary to prevent competition between factories and household or hand industries by not permitting investments to be made in such consumer goods factories as would prevent expansion or lead to a shrinkage of employment in the hand industries."

Another paper the Memorandum of the Panel of Economists describes the future pattern of Indian economic society in the following terms:

> "A society composed chiefly of small decentralised units of economic activity in which the increase in scale required in any activity is brought about chiefly through mutual co-operation, horizontal and vertical, and in which centralization and very large-scale operation are resorted to only the extent necessary to derive appropriate advantage from modern technology."

The Background

Before elaborating ideas contained in the above, it is necessary to take note of certain concepts currently accepted and steps already taken. The First Five Year Plan had put forward the novel concept of a common production

programme for industries in which there existed competition between the large-scale and small-scale sides. The possible elements of a common production programme were stated to be:

(1) Reservation of spheres of production.

(2) non-expansion of the capacity of large scale industry.

(3) imposition of cesses on large scale industry.

(4) arrangements for marketing, the supply of raw material etc.

Though the details of a common production programme for no industry were evolved during the first five year plan period, developments in the country required government to act in certain directions. The most important steps were taken in the case of the cotton handloom industry. Certain spheres were reserved for the handlooms, cesses were levied on mill production and for all practical purposes, further expansion of factory industry was prevented. Also, through the Handloom Board that was set up, an active programme of organising the handloom industry and of bringing it in the co-operative fold was undertaken. Gradually these ideas spread to other industries and by 1955, six All India Boards had been set up. Of these, two, the Khadi and Village Industries Board and the Handloom Board are of special importance. Large funds were placed at the disposal of these Boards and they had begun to make some progress in the direction of better organization, better marketing and more efficient production.

It is against this background that the possible position of village and small-scale industries in the Second Five Year Plan has to be visualised.

A Misconception

Before proceeding further something needs to be said about a very common misconception. It is generally believed that those who are concerned about the future of small industry in our economy advocate a self-sufficient village economy and stagnant technique. This is not so. There is no opposition to improvements in technique in general. A rapid and wholesale adoption of improved techniques is not considered desirable only in those lines of production in which there already exist very large numbers engaged in traditional village and small-scale industry. In all other spheres no objection exists, in principle, to employment of the most improved techniques that are appropriate.

Three requirements have to be steadily kept in view in planning for the immediate future of small-scale industry: firstly the requirement as to employment, secondly the requirement as to increased supply of consumer goods and thirdly the requirement as to initiating the process of continuous increase in efficiency of production.

Unemployment

One of the most important characteristics of the existing economic situation in India is the excess of supply of labour; for this, sufficiently remunerative or diversified employment cannot

be found. Both unemployment and under-employment are extensive in our society. Moreover, it has been calculated that by the natural growth of population more than 15 lakh persons are added each year in this country to workers seeking employment. Even if the plan of development finds employment for all these, extent of unemployment and under-employment at the end of the Second Five Year Plan would be of the same order as it is to-day. As present calculations go, it is not certain that the Second Five Year Plan would create additional employment for all persons added to the working force by the natural growth of population. If, then, the existing unemployment situation is serious, as everybody agrees it is, the least that economic policy can aim at and the public should insist on is that nothing is done, at least to worsen the employment situation in any respect. This is not a theoretical problem. It is live, urgent and immediate. Vague hopes that, though certain steps may cause immediate unemployment in one sector, they will be compensated by increased employment elsewhere are, to put it mildly, irrelevant in view of the size and character of unemployment in the country.

Moreover, the data since 1941 do not reveal any general increase of employment opportunities because of the progress of factory production in some consumer goods.

Consumer Goods

As regards increased supply, units in the major small-scale and village industries which produce consumer goods are already fully equipped for producing additional quantities of consumer goods commonly required in the country. It is much more economical to obtain the necessary increased supply of these goods through utilising the small-scale units more fully than through additional investment of capital resources, which are notoriously in short supply, in buying new machinery and setting up new establishments for the purpose. For most part, the increased supply of consumer goods through the existing units would require neither new investment in fixed capital nor training or recruitment of additional labour, but only additional resources of working capital. The provision of working capital resources can be made much more easily than of capital for fixed investment. Wherever, therefore, there already exist small-scale units which can produce considerable quantities of consumer goods in common demand, at not too high a price, and where these are not fully employed today, the obvious course is to organise for full capacity production by them. This will also provide for fuller employment of those employed in existing industry today.

The result of this approach would be to prevent further aggravation of the employment situation, to increase considerably the supply, at a reasonable price, of certain consumer goods and to provide full employment for those already engaged in these industries.

The following up of this approach would require a positive programme of organizational effort and of financial assistance to small-scale industries and may also involve steps such as preventing, for a time, further extension of production or installed capacity of large scale machine industry and levying cesses on present production in such industry.

Improved Techniques

Further steps in the process require careful thought. After the full capacity of existing small scale and large scale industry has been utilised any further increase that may be required in production would need both additional capital investment and employment of new labour force. The problem then arises as to whether this capital investment and labour employment should be afforded in the most advanced techniques or in small-scale or village industries at the existing technique. The solution to this appears to be governed by two sets of considerations. The first is the fact of the employment of large numbers using the older techniques. Any considerable new investment in highly superior techniques is always liable to raise the problem of unemployment amongst these. On the other hand, it is the essence of the process of development that techniques is constantly improved and that the output per-person in industry is continuously increased. Neither development of the economy nor an increase in the standard of life can take place without starting and continuing this process. The only way out is to follow a middle course which is that of undertaking all new investment and affording new employment, only at levels of gradually improving techniques. The extent to which this process is slow or rapid will depend essentially on two factors : the extent to which demand for the products of an industry increases in relation to the production through older techniques and secondly the extent to which the process of development of the whole economy provides diversified employment and increases the standard of living of the people.

Decentralisation

The total field of small industry of the future and its pattern will depend largely on decisions in relation to the concept of decentralisation. Though there has been much talk about decentralisation in India, there has been no action and even little thinking out of detailed policy implications. The process of industrialisation can take one of two paths. It has almost invariably meant so far, in the history of the world, continuous increase in the size of the unit of production, a high degree of centralisation of the credit, transport and other systems, an enormous concentration of economic power in a small number of units and overgrown cities. In the underdeveloped countries the process has also been accompanied by an impoverishment of the countryside and a break down of old social structures. The great evils

and costs attendant on these developments have been deplored by all social thinkers. At the same time, no country has yet attempted the alternative of deliberately routing the process of development so as to build up a decentralised society. Decentralisation does not necessarily connote either village self-sufficiency or a backward technique. It however, does involve deliberate efforts at adapting improvements or innovations in production and other techniques to small unit of production and to even dispersal of population. Industrialization may then take place not through driving masses of pauperised countrymen to seek wage employment in the city concentrations, but through planned transformation of rural industry. The necessary extent of specialisation in production and provision of common services that a change over to modern methods even in decentralised industry involves would centre round small towns. The organisation of countryside systems of credit, marketing, power supply etc. required for the rehabilitation of agriculture would be used also for developing decentralised industry. Comparatively uniform development of the entire countryside with each area having its small town centre and the whole economy, being built up as a broad-based somewhat flat pyramid, would avoid the large disparities in economic and political strength between unit and unit which characterise society today. Such a society can be realised in practice only if co-operation between the small decentralised units becomes a habit and the starts of units in each activity are organized into a federal system.

Real Merit

The programme of developing a decentralised society is not likely to provide any spectacular features. The resultant progress in national income, in money terms, may appear somewhat slow; but in it the investment of social capital will be really fruitful. For the dispersed services and amenities will serve the ends of improving both productive efficiency and the level of living for the mass of the people. In terms of real satisfaction and peaceful progress it has every merit. However, its realisation presents great difficulty. For, not only will this involve hard thinking along unfamiliar lines and considerable patient effort but also meet, once the programme is sought to be realised in action, determined opposition from industrial and urban interests.

The Village Neem

Oil Soap

Washes White

And

Wears Bright

PRODUCTION versus EMPLOYMENT

(*Dr* J. D. SUNDRAM)

In an article in the December (1955) issue of the *Reserve Bank of India Bulletin*, Dr. B. K. Madan, Economic Adviser to the Reserve Bank of India, observes that the recommendations of the Karve Committee are not likely to lead to "a progressive economic development at a fairly rapid rate". In his considered view, the Karve Committee's emphasis on the avoidance of any additional technological unemployment in each, particular industry and the consequent limitation, on the one hand, on the introduction of improved techniques for small-scale and village industries to such of those that may not have deleterious effects on employment and, on the other, on increased production and expansion of the technically more efficient large-scale, consumer goods industries, are likely to lead to indefinite continuation of backward techniques, occupational immobility, non-diversified low levels of production, predominance of relief-employment and low levels of incomes and standards of living. As the Committee's emphasis in his view subordinates improvement in technique to increase in employment or avoidance of technological unemployment in each industry, he fears that the aggregate volume of employment itself may not significantly expand, or facilitate increase in occupational mobility of the population.

2. The Committee's own assessment of the productive capacity of the village and small-scale industries, in his view, does not justify the ban on the increase in production and curbs on expansion of the large-scale industries, and consequently there is in the immediate future, a danger of a short-fall in production. Besides such a policy may, apart from denying the domestic market the benefits of larger, diversified qualitatively superior consumer products, lead to a waste of the investment in producers goods industries, which may not find a domestic market for their output. Dr. Madan fears that the pattern of production that may result from the Committee's recommendations, may be out of harmony with the consumption pattern that may emerge due to an increase in income, and may also affect the country's capacity to earn foreign exchange. In short, the Committee's insistence on the avoidance of technological unemployment in each industry and, therefore, the postponement of the adoption of improved techniques in each is a confusion in thinking and will deter the adoption of improved techniques, and compel the economy to

do with smaller levels not only of production but also, in the long run, of employment and incomes.

Phased Development

3. Progressive improvement in the economic conditions of the bulk of the artisans, engaged in the village and small scale industries, is the *sine qua non* for the adoption of improved techniques. But the techniques must be deliberately adapted to conform to the values accepted by society, viz. a Socialistic Pattern of Society. The creation of the basic operative conditions through financial and other aids for expansion of productive effort in the village and small-scale sector, on the one hand, and the assurance of markets for its output at prices that will ensure a minimum margin, through appropriate restrictions on the corresponding large-scale consumer goods industries, on the other, can alone provide both the means and the incentive to adopt improved techniques. Sustained development on this pattern alone can ensure a progressive increase in incomes and the basis for diversified productive effort. Although, in the immediate future, there may thus be no significant diversification of either production or employment, and consequently in occupational mobility, the development of village and small-scale industries as an integral part of the economy, over a period of time, can and definitely will create the conditions in which each of the requirements can be satisfied.

4. Decentralized productive effort, deliberately planned and developed, provides the time indispensable for the acquisition of diverse skills as well as for the changes in the prevailing occupational mores. The diversification and expansion of productive effort on a decentralized basis, through progressive adoption of improved techniques, can create demand for tertiary services on as large a scale in the aggregate as the operations of large-scale industries, without the excessive concentration of population, as in the present industrial areas.

Production and Employment

5. Dr. Madan's thesis that there is adequate scope in the economy for the simultaneous operation of both large-scale and small-scale industries, and that such an operation will facilitate adoption of improved techniques by the village and small-scale industries, through the introduction of a healthy, mutually beneficial competitive spirit between them, messes the point. Competition to be healthy or mutually benficial must be between equals; and no one can claim that large-scale village and small-scale units are equal in any sense. To eliminate competition and to formulate an integrated policy for them through allocation of specific shares in the total required output was the *reaison d'etre* of both the Karve Committee and the All-India Khadi and Village Industries Board. In their respective plans they have so demarcated fields of production as to assign the responsibility of producing only the additional consumer requirements to the village and

small-scale industries, leaving the bulk of domestic as well as the export requirements to the technically efficient, large-scale industries. The size of the responsibility assigned in each case has been determined on the basis of a careful analysis of probable increase in consumer demand and the capacity of the decentralized sector. In each individual case, the Karve Committee has provided for specific improvement in technique which is possible of execution within the frame-work of their objective. It is, therefore, incorrect to argue that production and improvement in techniques have been subordinated to employment.

Adequate Incentive

6. The curbs on expansion, Dr. Madan considers, may prove a disincentive to undertake modernization of plant and to maintain technical efficiency. The portion of output assigned to the large-scale sector in the principal industry viz. cotton textiles, is by no means small. What is definitely attempted is to reserve a little over a third of the domestic market to the handlooms. The large-scale cotton textile industry has all along asked for a number of concessions to replace or modernize its plant and machinery, even when there were no curbs on its activities and profit levels were high. The availability of the major portion of the domestic market and the almost entire export market, with its acute international competition ought to be adequate incentives to maintain the required technical efficiency.

False Alarms

7. To fear that a decentralized pattern of development may reduce our capacity to earn foreign exchange appears altogether unreal, as the Karve Committee have left untouched the responsibility for exports to the large-scale sector. Except cotton textiles and to a smaller extent oils and oilcakes, the industries affected by the recommendations do not contribute to the country's foreign exchange earnings. In the case of leather and other products hides and skins may probably contribute a little more than at present as prices of tanned goods fetch substantially higher prices than raw hides and skins. At any rate, it is yet too early to assess the probable changes in the volume or composition of India's export trade due to the decentralized pattern, which has sufficient structural elasticity to be adjusted in the light of the nation's larger economic needs.

Consumption Pattern

8. According to Dr. Madan, the Karve Committee did not fully examine the income elasticity of demand for cloth. The changes in the consumption pattern, particularly for cloth, according to him, show an increasing preference for finer varieties, which the handlooms are not in a position to produce. While it is broadly true that the production of cotton textiles has gradually changed during the last four decades to relatively better varieties of cloth, the bulk of the

production today consists of coarse and medium varieties of which the domestic rural market consumes about 80 percent. The analysis of the region-wise off-take of cloth by rural and urban areas shows that the per capita consumption in rural areas today is very much smaller than in urban areas, and there are very wide differences in the levels of consumption between one region and another. While changes in the consumption pattern of urban areas, are likely, given the conditions of consumption, the possibility and magnitude of income-increase in the entire country, significant quantitative, much less qualitative changes in consumption pattern are not likely, and data available warrant such an inference. Consequently production pattern that may emerge is not likely to be out of harmony with consumption pattern.

Investment Pattern

9. A decentralized pattern of industrial development, Dr. Madan fears, may render the investment-pattern in the Plan a waste, as the producers-goods industries may not have a domestic market for their output. As was already explained above, the continued operation of the large-scale industries will provide some market for producers' goods. But with effective planning the investment pattern can be modified to serve the needs of a rapidly expanding decentralized industrial sector. Such a modification will not only ensure an ever expanding market for the output of the producers' goods industries, but also the diversification of production, which Dr. Madan desires, development of higher technical skills and also a decentralised production of machine tools industries, on a regional basis.

Conclusion

10. To sum up : a deliberately slow, phased technological change towards creation of a decentralized pattern of society to accord with larger social and political values, necessitates at each stage of development the provision of the essential conditions for technological progress. As the conditions in the country, economic, social and demographic, permit such a deliberately slowed down change without endangering consumption, the phased programme to avoid technological unemployment in each particular field, as recommended by the Karve Committee, provides adequate internal incentives to change and equates progress with production. Changes in consumption pattern, the available data show, are slow except in urban areas; and the allocation of production between the large-scale and small-scale industries ensures continued harmony between demand and supply, as well as the continued availability of normal levels of exports. What is therefore, required is early orientation of the proposed development of basic industries to serve the future needs of the small-scale decentralized industrial sector.

(Cont. from page No. 15)

there must be a steady diversion of people from agriculture to other occupations. More and more, therefore, the adequacy of our plans must be judged in terms of the opportunities they open out for employment in non-agricultural activities."

Such, indeed, is also the thesis of the All India Khadi and Village Industries Board. Prof. Anjaria, like the Board, underlines the fact that scope for employment in modern industry is very limited, that the pressure on the land is excessive, that, as rationalisation takes place in agriculture, more people will be released from it and that these and the annual addition to the population should find non-agricutural occupations. To put it differently, Unemployment will be aggravated.

A Bad Case

In the context, therefore, of increasing unemployment and consequently of decreasing family incomes, is it reasonable to expect that consumption standards will go up ? Still Shri Somani must warn us against an unprecedented cloth famine with dangerous consequences to the national economy if the production of mill cloth is frozen at the present level of 5,000 million yards. Shri Somani would have us believe that he is not guided by motives of profits. His plea against the blanket ceiling over the present mill production is, he further wants us to believe, guided by more altruistic considerations. He says :

"The mill industry does not seek higher targets from any narrow or selfish motive," for "it stands to gain by freezing its production at the present level as it would, then, secure higher prices for its products as they became scarce and as demand rose. From the consumers point of view such a development cannot be welcomed."

This concern for the consumer is indeed very touching and one only wishes that one could forget those unforgettable years of black-marketing and profiteering, of tax avasions and contraband trades. What then is at the back of his exhuberant outburst? A clue is provided by another millowner who claims 50 years experience in the industry—Lala Shri Ram of Delhi. He says:- "The margin of profit today is certainly above the average,"

Shri Somani's humanity is actuated, no doubt, by considerations of making available to the consumers more and more mill cloth so that he and his like can continue to make the "above average" profit. If employment opportunities do not expand, even then the few numbers that may find increased purchasing power would, we may be presumed to believe, go in for more cloth and thus assure this profit if not on "above the average" scale, at least on the average scale. Those of us who are coversant with colonial and commercial imperi-

alism are familiar with the philosophy of the pioneers. Was it not Cecil Rhodes who said : "Philanthropy is good, but philanthropy plus five per cent is better ? "The opposition to the Ambar Charkha is evidently prompted by the fear that its wide-spread introduction will result in the accentuation of handloom production in the country. When this kind of production spreads in vaster and vaster areas and more and more people spin, besides, for their own consumption, the 'above average' profit market will progressively shrink and ultimately disappear. The vehemence with which Shri Somani has chosen to couch his words only betrays this sense of the inner panic in him.

The Facts

Like him, Lala Shri Ram also is opposed to the Ambar Charkha. But his approach is more suave and, therefore appears more plausible. According to him, the case for expansion of the mill industry is based on the assumption that "there is a very big number of mills where the machinery is in such a bad state of repair and so old and inefficient that it would not be possible to increase the shifts except perhaps in a mill or two here and there. In fact, if these had been in a position to run extra shifts, they certainly could have done so even now when the margin of profit is certainly above the average." But what are the facts ? According to Shri T. T. Krishnamachari, Minister for Commerce and industry, the total number of spindles installed as on January 1,1955 is 11,96 millions. Those working first shift are 10.13 millions, second shift, 9.46 millions and third shift 3.59 millions. Twenty mills are closed down, of which five are spinning mills and 17 composite units with an aggregate installed spindleage of 4,36,360. In assessing how much of the total spindleage can be effective the following figures are given :

	million
Spindles in mills which are closed and which are unlikely to start working.	0.44
Spindles kept idle on account of repairs (5 per cent of the total)	0.6
Absentism	0.3
Spindles which are in dilapidated condition in the mills which are running.	0.5

Thus the effective spindleage is 10.13 million. Of these the present spindleage capacity which does not work second shift is 0.67 million. Employers have, however, been reluctant to work the third shift because, in the words of the Commerce Minister, "it means higher costs in terms of wages and it is less efficient so far as its outturn is concerned and wear and tear is greater. The deciding factor so far as the employer is concerned is the profit motive in working the third shift." Thus in an emergency it is possible for the mills with the present installed capacity to produce an additional 285 million yards of cloth over the 5,000 million

yards they produce today. We wonder if Lala Sri Ram will dispute these figures.

Considering all these facts, there should be no fear of either a shortage or famine in cloth in the immediate future or during at least three years of the second plan period. During this period it is more than likely that the Ambar Charkha will have come into its own. Its potentialities, both in terms of production and employment, will, then, rule out consideration of any further expansion of textile will spindleage or loomage. The opposition to the Ambar Charkha from the mill-owners, therefore, can be understood. No altruistic considerations need be imported into the controversy or the "poor consumer" held up as an oppressed individual to be rsscued by capitalism.

Shri Ram's Argument

Lala Shri Ram seeks to justify his opposition to the Ambar Charkha with the cost factor in production and quotes the following figures in support of his case :

I. No. of man-hours required to produce 100 lbs. of 20s yarn.

On Ambar Charkha	By mills
2,000 man-hours	35.84 man-hours

II. Ratio of Man-hours required for a given output : 1:55.56

III. Cost of production per pound of 20s yarn.

	Mill	Ambar Charkha
1. Raw material	224 pies	224 pies
2. Wage cost	30 pies	480 pies
3. Stores, Power and Light, Depreciation and overheads	35 pies	17.5 pies
Cost per pound	289 pies	721.5 pies.

Lalaji claims that these figures have been taken from a recent number of the A. I- C. C: Economic Review. We have gone through the figures published in the Economic Review and have tried to find out on what basis he has calculated the costs. One palpable mistake which is illustrative is in item 2 where he mentions 480 pies against 30 pies. By no method of calculation can this figure be reached on the basis of the data published in the Economic Review. This only establishes the fact that when vested interests bring in the Ambar Charkha into their argument, they tend to exaggerate the cost factor in order to rule out the Charkha. But let us take a closer look at Lalaji's figures. The one significant fact that stands out is the large employment potential of the Ambar Charkha. This substantiates the claims made by the Sarva Seva Sangh and the All India Khadi and Village Industries Board. A large part of the cost involved should legitimately come under development expenditure and is not chargeable to the Ambar Charkha scheme. If this

is conceded, the cost factor dimishes to a considerable extent. A welfare Economy and a Socialist Society cannot afford to ignore the masses in the allocation of development expenditure. To do so will be to defeat the very objectives—social, economic and political. Another word about Lalaji's calculations and comparisons. The cost calculations presented by him, so far as they pertain to mill production, are the costs of production and not the prices. What matters is the price actually paid by the consumer. Working out on this basis, the difference between mill yarn and the Ambar yarn varies between 68 and 85 per cent only. When compared in terms of cloth, the difference between the given quality of handloom cloth woven out of mill yarn and that woven out of Ambar yarn does not exceed two to three annas per yard. It is, after all, the consumer price that should be taken into account in discussions of this nature.

Lala Shri Ram quotes the University Education Commission's report as saying that for Government to try to manufacture and to distribute this vast variety of goods (that is, consumer goods in general) on a non-competitive basis would result in a lack of technical progress. Such goods, as a rule, can best be supplied by the free play of private enterprise and initiative with the public in effect voting on the need and worth of each article by buying or not buying." The argument is very familiar. If we leave the choice to the consumer, price to price and quality to quality, he will certainly prefer the cheaper and better imported product to Indian mill product. Why not, then return to *laissez faire* and allow free import of all kinds of consumer goods, including cloth from foreign countries ? The proposition on the face of it is as untenable as it is absurd. It is too late in the day now to argue that there should be free competition between the small cottage producer and the mighty factory machine. It is like co-existence between the wolf and the lamb.

Plausible, But......

Lala Shri Ram's plea against any ceiling on the present production capacity of mills and against licensing of new spindles is couched in plausible terms. He says :

"Even if all the claims made for the Ambar Charkha are proved to be correct, to be able to produce so many 'charkhas' — 25 lacs or so — to induce so many people to take it up and organise the whole thing, will probably be not achieved, in spite of all the good wishes of its protagonists, even in the whole period of the Second Five-Year-Plan. While in the case of shortage of cloth, it will be the consumer alone and not the mills that will suffer, in the case of shortage of yarn, even those handloom weavers whom

it is intended to help, will suffer. And if my fear of the Ambar Charkha not being able to produce sufficient quantity of yarn in time comes true, then even those who believe that the handloom could produce all the cloth required, will find that, on the one hand, the increase in the mill production was banned, and, on the other, the hand-loom people, without the yarn will not be able to produce, and there will be heavy shortage of cloth as a whole in the country with most deplorable results." He would, therefore, appeal to all concerned that:

"the increase in spindles and looms should not be completely banned, but permitted in restricted numbers and at any time when it is found, even after a year, two years, or three years that Ambar Charkha and the handlooms have come up to the expectations ond demands, immediate steps could then be taken to stop further expansion of spindles and looms."

In the first place we may tell Lala Sri Ram that the tasks he mentions about the Ambar Charkha are not insuperable, nor are they beyond the means and the capacity of the Government and the people of the country. Affer all, the Ambar Charkha programme is not a private enterpise but it is a programme of national and social significance. Such a proqramme has to be viewed and accepted as a national programme and in the execution of it the State and the people have their due roles to play. Moreover, there are already in the Khadi field four or five lakhs of registered handspinners, over 500 production-cum-sales organisations. These spinners and organisations can straightaway take up the Ambar Charkha programme and in the course of two or three years the number of these spinners and these organisations can be multiplied. To manufacture the required number of Ambar Charkhas there is sufficient idle capacity in the engineering and small-scale industries sector of the country and these can be utilised for the production of these Charkhas. The problem does not present any more difficulties than the difficuties in procuring and installing additional spindles and looms.

Mills And Handlooms

His reference to the probable plight of the hand-loom weavers needs a closer examination. If he and other mill-owners like him have been concerned wfth the lot of the handloom weavers in the country, they would certainly have realized that these handlooms required adequate quantities of yarn. What has been the performance of the millowners? Their tendency has been to release as little quantities of yarn as possible and to utilise the millspun yarn for weaving within the mills. The growth of the composite mills in the country has been rapid. With it is associated the relentless drive against the handloom industry and to

starve it out of existance. The installed capacity of the handlooms today is very nearly 3,500 to 4,000 million yards and with the technical improvements that are being effected by the introduction of 'fly-shuttle' and 'pick-up-motion attachments', the production capacity of the industry will be over 5,000 million yards a year. The production by handlooms at the end of 1955-56 is not expected to exceed 1,550 million yards. If the handlooms were supplied regularly with adequate quantities of yarn, would they not have been producing at least double their present production? The story of the textile mill industry is written with the tears of the millions of handloom weavers. The fact that the mills either did not or would not supply adequate yarn to them tell the sorry tale of the pauperisation of lakhs of families in the countryside. In the name of the handloom industry and the poor handloom weavers there is again the clamour for more and more mill-spindles. Installation of more mill spindles and spinning mills. however, is only the thin end of the wedge. Once these are installed and brought out into operation, it will not take long for the gradual conversion of the new spinning mills into composite mills. We may be accused of attributing motives. Are we? Do we plead guilty ? No. The whole course of the development of the Indian textile mill industry is proof of the statement, That is why Mahatma Gandhi, time. and again, emphasised that hand-spinning and handweaviug are, like the Siamese twins, bound together and for the handloom industry to depend on mill supply of yarn will be to work for its own ruin. Critics of our programme know that the Ambar Charkha will sustain the handloom industry and create conditions for its further expansion. They see in it, perhaps, the gradual decline and ultimate disintegration of the textile mill industry itself. Their apprehension, therefore, is not whether the Ambar Charkha programme will succeed or not. Of that they have little doubt. Their problem is how to thwart the Ambar Charkha programme. Shall they succeed ?

REGRET

In the "Musings of the Month" appearing in the issue of "Khadi-Gramodyog" for November, 1955 (Vol. II No. 2) certain expressions have crept in which appear lacking in due courtesy to the Minister for Commerce and Industry, Shri T. T. Krishnamachari. I should like, on behalf of the All India Khadi and Village Industries Board, which is responsible for the conduct of the journal to take this opportunity to express regret for such lapse.

-Vaikunth L. Mehta

NEWS AND NOTES

POINTS FOR DECISION

Shri Annasaheb Sahasrabudhe presented a note to the Sarva Seva Sangh at its meeting held recently at Koraput (Orissa) on the progress made by the Ambar Charkha Samiti of the Sangh. The note says:

"The Sarva Seva Sangh at its meeting in Sevagram on 28th November, 1954, decided as follows;

"The Ambar Charkha work my be carried on an extensive scale"

During the Sarvodaya Sammelan in Jagannathpuri, fresh discussions were held on the resolution passed at the Sevagram meeting. The decision was endorsed by the Sammelan and a Sub-Committee, with the following members, was appointed to implement the Ambar Charkha scheme of the Sangh.

1 Shri Raghunath S. Dhotre
2 Shri Annasaheb Saharasbudhe
3 Shri Sridhar Hulyalkar
4 Shri Nandalalbhai Patel
5 Shri Dwarkanath Lele
6 Shri Keshav Deodhar
7 Shri N. R. Sowaney
8 Shri Krishnadas Gandhi (convenor)

A budget for the total amount of Rs. 14 lakhs was also agreed to for the implementation of the scheme. It was decided that 8,700 Ambar Sets should be manufactured and introduced in different parts of the country with a view to promote area self-sufficiency in cloth.

Progress Report

The following is an account of the work done by the Ambar Charkha Sub-Committee since its appointment:

1 Arrangements are complete for the manufacture of 3,000 Ambar Sets per month. In the month of December 3,000 such sets will be manufactured.

2) 180 workers have been trained for three months and they are ready to undertake Ambar Charkha work.

3) Today there are 15 Ambar Vidyalayas. 400 workers are being trained in them. They will complete their training by the end of December.

4) By the end of December, 65 master carpenters and mistries would have received training. 100 other master carpenters are under training and they would also be completing their training by the end of December.

5) Ambar Sets have reached 56 different centres, beginning from Nepal, Srinagar and Delhi. In these centres 869 Ambar Sets are in operation.

6) Till the 15th of November 15,000 hanks of cotton yarn has been spun out of which 2,065 sq. yards of cloth have been woven

Ambar Scheme Expenditure:

Item	Rs.
Iron goods	2,50,000
Timber	87,800
Rubber	4,100
Experiments	8,100
Miscellaneous expenses	54,000
Wages paid	71,000
Training (including stipends)	49,000
Establishment	21,000
TOTAL:-	5,04,400

Amounts Advanced and Spent:

Item	Rs.
To purchase of iron (Ahmedabad)	60,000
,, (Calcutta)	10,000
To wages paid (Koilpatty)	6,000
To purchase of timber (Tirupur)	30,000
Establishment, etc. (Sabarmathi)	4,000
	1,25,000

By the end of December, nearly 6,000 workers would have been trained and be ready to undertake the work, and 100 to 200 mistries would also have had their training. Some 5,000 to 6,000 Ambar Sets would be introduced in 100 Parishramalayas distributed in new centres. Each Parishramalaya will have 30 to 60 Ambar Sets. From 60 to 120 new workers will be trained in them and will continue to work there. This work will be continued till the 31st March, 1956. From the yarn produced through these Parishramalayas 5 to 6 lakhs sq. yards of khadi would be woven.

Men and Tools

It is hoped that by the end of March, nearly 15,000 new workers capable of working on the Ambar Charkha would be ready and they will continue work. The 15 Ambar Vidyalayas which have been started, would continue to train 300 to 400 new workers even after the month of January. Production of 3,000 Ambar Sets per month has already started. 8,000 Ambar Sets would be manufactured by the end of January. It is the view of the Ambar Charkha Sub-committee that the work of manufacturing spare parts of Ambar Sets should be continued.

While this is the position today, we are faced with the fact that the Second Five Year Plan is being prepared. We are also confronted with the proposal to increase mill spindleage by 40 lakhs new spindles. The mills today produce 5,000 million yards of cloth. It is now proposed that 3,300 million yards of cloth would have to be produced and that the requirements of yarn for the purpose should be supplied by the new additional spindles.

Field Tests

The All India Khadi and Village Industries Board has submitted its proposals to the Planning

Comission on the production of cloth. According to these proposals, instead of increasing the mill spindleage, the additional yarn required for the handlooms should be produced through the wide-spread introduction of Ambar Sets. During the Second Plan period 25 lakhs of Ambar Sets should be introduced. By this, employment would be provided to 60 to 70 lakhs of people. Besides it will prepare the ground for the decentralization of the textile industry. Since the time the Khadi Board submitted its proposals to the Government, national attention has been drawn towards the Ambar Charkha. On behalf of the Government, the Ambar yarn is being tested in Technological Laboratory (Matunga, Bombay:) *Atira* (Ahmedabad) and in other similar institutions. At the same time the acceptability of the Ambar yarn to the handloom weavers will be tested by the Parishramalayas. Such field tests are being conducted in accordance with the recommendations of the Karve Committee. After the examination of the data from the laboratories and field tests which would be available by the end of March, 1956, a decision would be taken whether the Ambar Sets should be accepted or to what extent it should be accepted. The Karve Committee has suggested that till such data was available, licensing of new spindles for the mills should be stopped.

Points For Decision

Today, experiments have proceeded so far that the Sarva Seva Sangh should finally decide its policy in regard to the Ambar Charkha. The following points have to be considered before taking the decision.

1) Whether from the results so far obtained it appears that the Ambar Charkha can be an effective instrument for the decentralization of the cotton textile industry.
2) Whether it can be introduced on the basis of family and area self-sufficiency.
3) Whether the Sarva Seva Sangh should give its approval to it.
4) Whether the Ambar Charkha set should be called Ambar Charkha.
5) Whether cloth woven out of Ambar yarn should be called Khadi.
6) Whether the Sarva Seva Sangh should recommend the adoption of the Ambar Charkha for Vastraswavalamba, area Swavalamban and commercial production.

In case the present Khadi centres want to introduce Ambar Charkha they may be permitted to introduce and work them. Full advantage may be taken of the All India Khadi and Village Industries Board and the 500 institutions engaged in Khadi and the scheme may be implemented with their co-operation. We should also support and strengthen the proposal of the Khadi Board not to increase the mill spindleage.

So far as the Sarva Seva Sangh is concerned all its efforts should be based on the promotion of cloth self

sufficiency. If necessary, the Sarva Seva Sangh may recommend to the Khadi Board to have a federation of the Khadi institutions spread all over the country to facilitate the execution of its programme.

AMBAR CLOTH IS KHADI

The Akhil Bharat Sarva Seva Sangh passed the following resolution at its meeting on 20th December, 1955 :

"In its meeting held on 26.12.54 the Sarva Seva Sangh decided that Ambar Charkha field experiments should be conducted with a view to determining its usefulness as an effective instrument for promoting area self-sufficiency in cloth. The Sangh, at the same time, directed that research and experiments should be carried out to make the Ambar Charkha simpler and cheaper.

Since then, experiments have gone on in various centres and the results show that the Ambar Charkha can be recommended as a fit instrument to ensure individual and village self-sufficiency.

Before the advent of the machine age Khadi was universally produced in the country. In the present machine age Gandhiji revived the Charkha, gave to Khadi a new life and created a national sentiment in favour of it. These have enabled it to survive in spite of the mills. If the same recognition is given to the Ambar Khadi, it can stand up against the mills.

It is, therefore, decided that Ambar Charkha yarn and cloth should be given the same place and recognition as is qiven to other handspun yarn and Khadi."

TRAINING PROJECT OFFICERS

At the instance of the All India Khadi and Village Industries Board, the Gujarat Vidyapith in Ahmedabad has undertaken to train Block Development Officers of the Community Projects Administration in Khadi and Village Industries. Facilities have been provided to train 40 officers at a time. Shri Yaikunth L. Mehta, Chairman of the All India Khadi and Village Industries Board who inaugurated the training class of the first batch on 10th December 1955, said:

"The Gujarat Vidyapith occupies a special place in the field of education and training pupils for the service of the poor. From its very inception, it has kept before it the aim of rendering service to the village population. Mahatma Gandhi, under whose inspiration and guidance this institution took shape, stressed that maximum scope for the development of their creative faculties should be given to the students.

The syllabus of this Vidyapith is unparalleled in this matter. It is the good fortune of the All India Khadi and Village Industries Board that it is today being closely associated with this institution.

The All India Khadi and Village Industries Board was constituted as a result of the provision made for the development of Khadi and village industries in the first Five Year Plan. In the Second Five Year Plan, the development of these industries will have even a more prominent place.

The Training

Most of you who are joining this Vidyalaya are holders of degrees of the different Universities. Some of you may have worked as Officers, some may be fresh graduates and some may already have formed relationship with the village population. You will all be engaged in the special work of developing Khadi and village industries on completion of your training.

The Community Projects Scheme aims at achieving the all-round development of the people in rural areas. For this purpose, the country is divided into a number of blocks, each block covering 100 villages. The scheme has been in force during the last two and a half years. In some place it has achieved good results. A large amount of money has been spent in its implementation. After evaluating the progress of this project work, two reports have been published. They have taken note of the fact that, though some progress has been made in several areas, the work of developing industries useful to the villages has not yet commenced in the Community Project areas.

The people as well as the Project Officers have not fully grasped the significance of these industries to the development of the nation. Even the Planning Commission came to recognise their importance only after reports in this connection were placed before it. Those who were carrying on this work had neither any definite schemes nor the requisite typed workers. After considering these observations of the Community Projects administration Prof. Karve, formulated a scheme. They decided that, in order to create public interest in this work, special officers should be appointed in the same way as is done for others as Community Projects programme. Those officers should then be given necessary training, so that they will draw up the programme for the development of these industries. They will study the schemes of the Khadi and Village Industries Board and then work for their implementation with the co-operation of the people. For the purpose of giving trainning to these workers, this Vidyalaya has been started. Khadi forms the central subject in the syllabus. You, who have joined the Vidyalaya, will work in collaboration with the Village Level Workers in blocks of 100 villages in the Proiect Areas. The Village Level Workers should have special interest in this work. These workers will also have to be trained.

The Main Problem

There are many problems confronting the country. The main problem today is that of unemployment. From the experience of the last five years, we have seen that, though production has increased, the scope for employment has not widened. On the contrary, the problem of unemployment has become more acute. The Government has planned to give employment to 12½ million people during the next five years. In order to fulfill this responsibility, various schemes have been framed. By large-scale industrialisation we may be able to supply articles of utility to the people at comparatively cheaper prices. But the scope for large-scale employment is very small. How can we provide gainful employment to crores of people living in the lakhs of villages? After a careful examination of the question, Gandhiji advised us to give them work through village industries.

The citizens of Ahmedabad do not, perhaps, appreciate today the significance of his advice: but if we go to the villages around industrial Ahmedabad, we will see that poverty is still rampant there. Thus, to whatever extent we develop the big industries, it will not remove unemployment and poverty. This is our experience. The All India Khadi and Village Industries Board has gone into the question of employment and unemployment in great deal and has proposed a comprehensive plan for the development of Khadi and village industries. Its Khadi scheme alone is expected to provide employment to over 4 million people. The success of the scheme, however, depends on Government policy and its acceptance of the Karve Committee's recommendations.

The Programme

The production of mill cloth is at present 5,000 million of yards per year. The power-looms produce 200 million yards. There should be no expansion of this production or in their productive capacity. All additional requirement of cloth should be supplied through the handlooms. Provision should also be made to supply yarn required for this additional cloth. The Khadi and Village Industries Board has planned to produce 40 million lbs. of yarn through the widespread introduction of Ambar Charkhas.

The Government may or may not accept this programme in toto; but the Khadi Board will carry on this work in the Sarvodaya centres, in the villages given away as Bhoodan and in the Community Project Areas. The Board will introduce Ambar Charkhas in these villages as a part of its programme. You who will undergo training here will, we hope, take up, next to farming, the work of developing these industries, with enthusiasm. By doing so, we will be able to provide employment and the means of livelihood to the villagers in their own villages. I am afraid, if this is not done, even after incurring an expenditure of 5,000 crores of rupees in our plans, it will not impress the village population. We have to increase

the means of earning not for a limited number of persons, but for all our countrymen. Then only people will be happy.

Gandhiji has placed before us the ideal of decentralisation. Its importance in the social and economic life of the country is very great. It is not meant only for removing unemployment; it aims at the revival of our culture and renovation of our social structure. This Vidyalaya has been opened with the object of spreading this message to the villages. It is my sincere hope that our object of rendering service to the village population will be fulfilled through this Vidayalaya and through you who are now being trained in it."

GRAMODAYA WORKERS BACK KARVE REPORT

A Conference of the Representatives of Gramodaya Sanghs in Tamilnad was held on the 15th and 16th December, 1955, at Gandhi Nagar, Tirupur, the headquarters of the Tamilnad Branch of the Sarva Seva Sangh. These Gramodaya Sanghs have been recognised by the Sarve Seva Sangh and are attached to one or the other of the Sarva Seva Sangh Branches in Tamilnad. About 1000 delegates attended the Conference which was presided over by Shri K. Arunachalam of Periyanayankanpalayam, a member of the Standing Training Committee of the All India Khadi and Village Industries Board.

The Conference was opened on the 15th morning by Shri Kamaraj Nadar, the Chief Minister of Madras. In his opening speech he appreciated the efforts done by the Gramodaya Sanghs in the matter of Khadi and Village Industries work as well as the Bhoodan movement.

In the afternoon Shri M. Bhaktavatsalam, Minister for Industries, Madras State, addressed the gathering on constructive work in general and appreciated the efforts of the Sarva Seva Sangh in placing the Ambar Charkha before the country for the purpose of developing the handspinning Industry.

He was followed by Shri R Srinivasan, Joint Member Secretary of the All India Khadi and Village Industries Board. Shri Srinivasan dealt with the programmes of the Board as its proposals for the Second Five Year Plan. The various recommendations of the Karve Committee were also explained to the gathering by him so that the delegates could fully understand the implications of the Board's plan in the matter of Ambar Charkha as well as the various aspects of the present controversy on it. He appealed to the Gramodaya Sanghs to get themselves registered under the Societies Registration Act as quickly as possible so that they may strengthen their work with the financial aid that can be made available to them thereafter.

Shri Krishnadas Gandhi of the Sarva Seva Sangh, who is in charge of the Ambar Charkha scheme, next addressed the gathering on the working of the Ambar Charkha and its technical efficiency and potentiality for supplying the requisite yarn for the use of the handloom industry to meet the additional requirements of yarn during the Second Plan period.

On the second day, the Conference considered and passed a number of resolutions appealing to the Government of India to accept the Karve Committee Report and its recommendations, to accept the Ambar Charkha as a suitable instrument for decentralising the spinning industry. The Conference decided that one lakhs of Ambar Charkhas should be introduced in Tamilnad durinq the next two years.

An Ambar Charkha exhibition was also held alongside the Conference. Several models of the Amber Charkha were exhibited. Many Congress workers and leaders of Tamilnad, who had gathered in Tirupur on the 15th in connection with the meeting of the Tamil Nad Pradesh Congress Committee also attended the Conference and visited the exhibition.

The following is the text of the resolutions passed by the Conference on the Karve Committees Report and the Ambar Charkha:

"This Conference of Gramodaya Sanghs of Tamil Nad considers the proposal of the All India Khadi and Village Industries Board to propagate the Ambar Charkha in the country as timely and necessary and declares its wholehearted support to the scheme adumbrated by the Board for its extensive introduction to produce all the additional yarn required by the handlooms to meet the increased demand for cloth during the plan period. Therefore this Conference calls upon each of the Gramodaya Sanghs to get one of its workers trained in Ambar Chrkha spinning and techniques.

"Since there is every possibility of Ambar Charkha yarn and mill yarn being mixed in the production of handloom cloth, and thus vitiate Khadi production, this Conference is of the opinion, that, during the coming two years, the Sarva Seva Sangh and the Gramodaya Sanghs should jointly undertake the introduction of at least one lakh of Ambar Charkhas in Tamil Nad through co-operative organizations.

'This Conference requests the Government of India to accept the recommendations of the Karve Committee that mill and powerloom production be pegged at their present level of of 5,200 million yards and that all the additional requirements of cloth should be met by the handlooms. This Conference declares further that spinning capacity of the mills should not be expended, that no new spindles should be licensed and that all the additional requirements of yarn should be reserved to the handspinning sector through the wide spread introduction

of the Ambar Charkhas. This Conference therefore, requests the Government of India to take appropriate measure to ensure the success of the Ambar Charkha scheme of the All India Khadi and Village Industries Board.

"This Conference also requests the Central Goverment to accept and give effect to the recommendations of the Karve Committee that for the protection and development of Khadi and Village Industries separate Ministries should be created at the Centre and in the States with a Minister of Cabinet rank at the Centre."

What The Experts Say ?

1	MINIMUM PER CAPITA NUTRITIONAL FAT NEEDED	: 2.00 Oz. Per Day
2	MAXIMUM AVAILABLE AT PRESENT	: 0.35 „ „
3	OILS AVAILABLE FOR EDIBLE PURPOSES	: 11,00,000 Tons
4	EDIBLE OILS USED FOR INDUSTRIAL PURPOSES	: 1,68,000 Tons
5	TOTAL NON-EDIBLE OILS AVAILABLE FOR INDUSTRIAL PURPOSES	: 1,50,000 Tons
6	RELEASE OF EDIBLE OILS FOR NUTRITIONAL PURPOSES	: 1,50,000 Tons
7	ADDITIONAL PER CAPITA CONSUMPTION OF EDIBLE OILS MADE POSSIBLE	: 10 Per Cent

NON – EDIBLE OIL SOAPS

HELP

BUILD HEALTH of the NATION

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1. Though published by the All India Khadi and Village Industries Board, the views expressed in "Khadi Gramodyog" are not necessarily the views of the Board The object of this Journal is to focus popular attention on the importance of Khadi and other village industries in schemes of national development, to discuss the problems of these industries and to record the progress made in the implementation of development programmes.

2. Contributions and letters intended for publication in this Journal must be brief, must deal exclusively with any one particular aspect of the programmes for development at a time and must bear the name and address of the writer. They must be typed on one side of the paper and must be accompanied by a self-addressed stamped envelope if their return is desired. All communications must be addressed to the Editor, "Khadi-Gramodyog", Post Box No. 482, Bombay, and not to any person by name.

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MILL versus AMBAR CHARKHA

I may say I am in the cloth trade and its production the whole of my life. I have also travelled all the countries of the world that produce cloth. From my experience of about 25 years I may say that the Ambar Charkha is the most effective instrument for the removal of unemployment of our villages. Even as an old cloth factory-owner, I may say that the Ambar Charkha means decentralization of the cloth industry.

As I am one of them, I understand the anxiety of mill-owners in this matter. The introduction of Ambar Charkha will surely affect the mills. But, if we intend to give work to our millions of the unemployed, it is comparatively nothing to worry about.

I am sure, if the Ambar Charkha is helped by similar protection or even to a lesser extent than the above, it will be proved that decentralization of cloth industry is a sure remedy of our country's evil of unemployment.

The mill industry is aided in diverse ways by Government, viz. through providing it with such facilities as electricity, water, land, capital, protection etc. If devices like the Ambar Charkha which give employment to the millions of poor people in India are helped even to a lesser extent, if not equally, the country is bound to go on the way to prosperity.

If our villagers are supplied with electricity, good roads and means of transport and communication etc. it is certain that centralized industries will see the end of their unnatural existence in cities. Is it, therefore, that people who are for the latter cause delay in such supply to villages ?

Those who compare prices of mill cloth and Khadi should always remember that if Khadi production is helped suitably in the same way as mill cloth production is helped with facilities like electricity, water, cotton, finance etc. then the centralized mill industry will never stand competition with the decentralized village industry. It is, therefore, that talks of throttling the latter at its very inception seem to arise at present; this is surely not in the true interests of the country and millions of its rural population.

— MANILAL DOSHI in 'Harijan'

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